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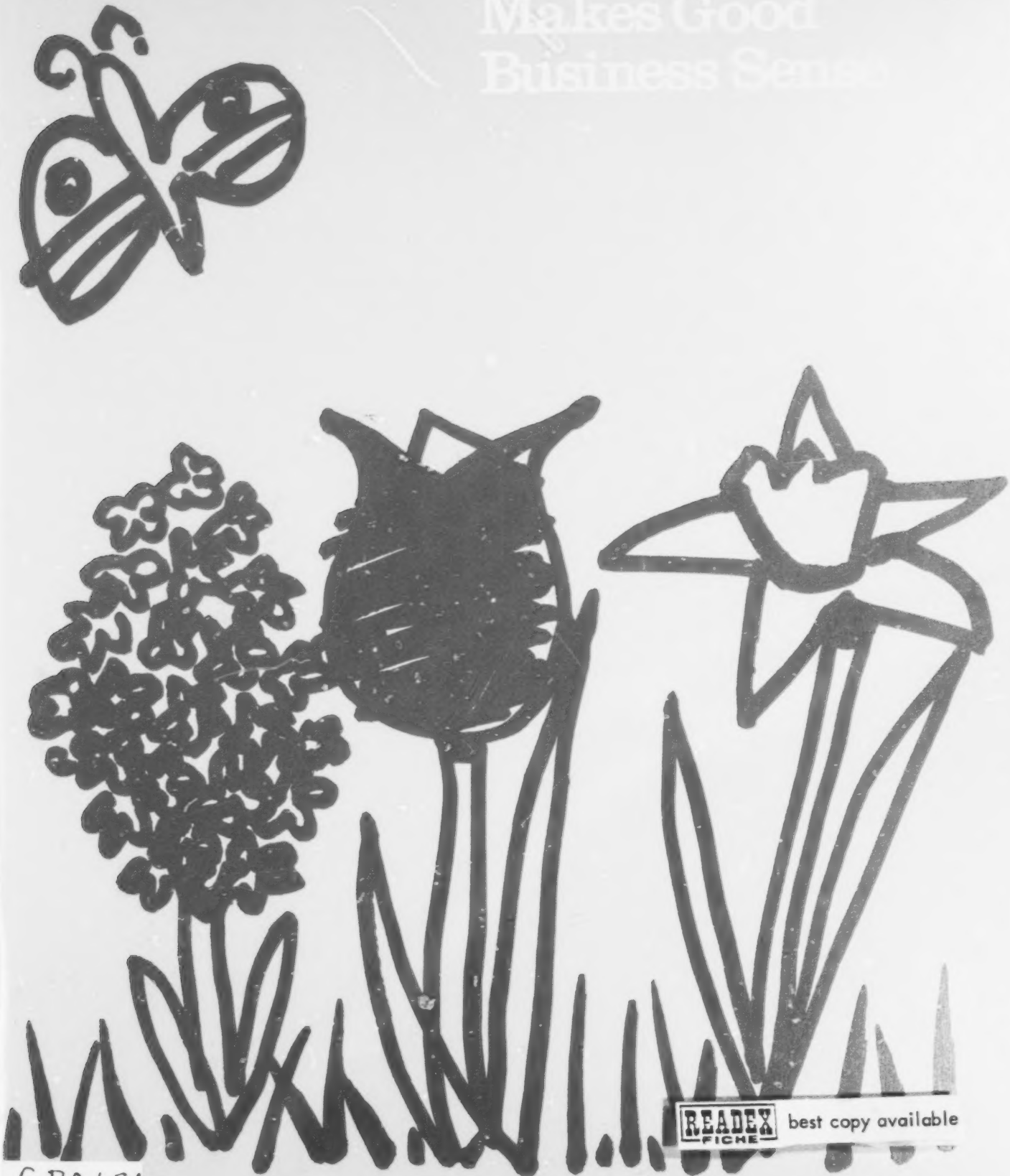
SBA U.S. Small Business Administration
Office of Business Development

Quality Child Care Makes Good Business Sense



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Quality Child Care Makes Good Business Sense

In today's society, the traditional family model—one parent at work while the other stays home to care for the children—has become the exception rather than the rule.

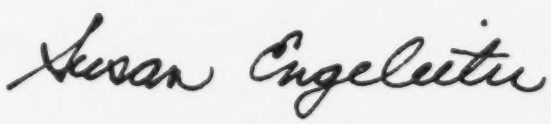
More and more couples are finding that to attain the level of economic comfort they need and desire, both must work. A substantial number of other families are headed by single parents who are the sole breadwinners.

Many of these parents must rely on child care for their children. High-quality, affordable child care is of vital importance to them. These services are in great demand, but short supply. Thus, child care is a profession of opportunity for those who want to start their own small business.

Becoming a child-care provider takes a great deal of thought and preparation. Starting a child-care center involves all the challenges of any small business, and also requires dedication to the well-being of children. A child-care provider is charged with the temporary custody of the most important people in a parent's life—his or her children. A good child care provider not only attends to children's physical well-being, he or she also nurtures their intellectual, social and emotional development.

If you are qualified and ready to make a commitment, this book is for you. It has been developed by dedicated child-care professionals in both public and private sectors. It is a comprehensive assistance manual that explains both business and academic dimensions of operating a child-care center. It is also an excellent guide for parents who want to know what to look for when choosing a child-care center.

We hope you will find it a valuable resource in offering the highest quality child care for the families in your community.



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ACKNOWLEDGEMENTS

The Office of Business Development of the U.S. Small Business Administration would like to thank all who assisted in our efforts in gathering the information, in writing, editing and making this publication a success. We would like to extend a special thanks to the following people and organizations for their generous contributions of time and valuable suggestions.

They include Senator Rudy Boschwitz, his staff and members of the Minnesota Child-Care Task Force; staff members of the Office of Public Communications for their technical support, especially Eugene Donaldson, Graphic Arts Director; Amelia Harris, layout and photography; staff members of the Office of Advocacy; Dr. George T. Solomon, Director of Business Development and Resource Management; Ferguise Mayronne, Business Development Specialist; Eunice Ricks, Writer/Editor and Janet E. Moorman for writing, editing and typing the publication.

We also would like to express our appreciation to the following organizations and persons for permitting us to use materials and ideas from their publications: Dr. Dewey E. Johnson, et al., School of Business and Administrative Services, California State University, *How to Start a Business in Fresno County*; Kathy Modigliani, Marianne Reiff and Sylvia Jones, *Opening Your Door to Children: How to Start a Family Day Care Program*, Copyright © 1987, the sections on Insurance, Preparing Your Home, portions of Tax Laws, Planning and Scheduling, and Training were reprinted by permission of the authors; Mr. Donald Lewis, owner of the Sha-Za Early Learning Center; Dr. Virginia H. Howard, Chairperson, Department of Curriculum and Instruction and Professor Joan Ellis Tillman, Early Childhood Education, University of the District of Columbia; Nancy Lake, Director of the Small Business Development Center of Howard University and the SBDC staff; D.C. Lawyers Association; and the District of Columbia's Department of Regulatory Affairs.

We acknowledge the small business community and all aspiring entrepreneurs, for without you we (the Small Business Administation) would not exist.

Thank you for your continued support.

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INTRODUCTION

Owning and operating a child care business can be a very challenging yet rewarding career. It requires dedication, love and patience to be successful in this field. In fact, you may soon discover that you will have to work longer than the normal eight-hour day you may be accustomed to. But the feeling of satisfaction you'll get as you watch the children grow and develop will be worth the extra effort.

If you are interested in or have considered starting a child care business, then this publication is what you need! It is designed to help you plan, prepare and operate a successful child care business. It explains the step-by-step process of starting the business from assessing the need for child care services to selecting the service, setting up your business and preparing for opening day. A sample business plan outline designed especially for child care businesses is included, in addition to a Survey Questionnaire, Bibliography and a list of National Organizations.

CHILD CARE PROGRAMS

According to a recent Census Bureau Report, **"Who's Minding the Kids,"** parents generally select one of three types of child care facilities: 1) **Family care**, 2) **Home care and** 3) **Day-care Centers.** There are, however, several different kinds of child care programs available for parents needing such services. These programs include the following:

- Family care—a program designed to provide care for toddlers. In a family care setting, toddlers are minded in the homes of other mothers.
- Home care—in a home care setting, a nanny or sitter cares for and supervises the child in the child's home.
- Day-care and Child Development Centers—are programs designed to respond to the stages of physical, emotional, social and intellectual growth and behavior of infants and children.
- Child Care Development Home—is a private residence for up to a total of five children including infants with no more than two infants in the group.
- Infant Care Center—is a Child Development Center that cares for infants and toddlers which includes children two years old or younger.
- Before and After School Care—is a program providing care for school-age children before and after the regular school day in a child development center or home.
- Satellite Child Development Program—is a private residence which has a child development center or agency as its base and receives technical assistance and support, training, recruiting and placement for the satellite program.
- Nursery School—usually is a part-time preschool child development center operating during the school year.

For more information on the types of child care programs in your community, contact the local Child Care Referral Agency or the local or state licensing departments.

IDENTIFYING THE NEED FOR CHILD CARE PROGRAMS

The demand for child care services steadily increases as more and more women enter the work force, giving up the traditional role of full-time mother and homemaker. To date, working mothers—in both single and two-parent households—constitute the fastest growing segment of the paid work force. According to a 1984 Census Bureau Report, the number of married working women with school-age children has grown from 42% in 1970 to over 60%; the rate among mothers of preschool children also has increased from 32% to 52%. Reports by the Congressional Budget Office and the Internal Revenue Service further substantiate this increasing need for child care services. The Congressional Budget Office reported that by 1990 an additional 2.5 million

children will require some form of child care while the Internal Revenue Service (IRS) reported, in 1983, that 6.4 million families received a $2.6 billion reduction in their federal income taxes from the Dependent Care Tax Credit.

There is no doubt that there is a need for child care services. Yet in our quest to meet this demand, we should be careful not to sacrifice quality for quantity. Since the continued growth and development of our country depends wholly on the development of our children, it is imperative that quality child care and educational services are provided from preschool through high school.

ASSESSING COMMUNITY AND FAMILY NEEDS

Now that you are aware of the need for child care programs, the next step is to assess the family and community needs for that service. This may require that you research the market to determine the kind of service that families in your community need and want, and to identify the different kinds of programs already available. By doing so, you avoid duplicating services, and you will be able to develop a program that responds to the needs of the families you are serving.

How to Identify Family Needs

The easiest and most efficient way to determine family child care needs is to go directly to the source, that is, the parents. The information they give you will be invaluable. So talk to the parents, get them involved, find out what they want. They are your best source.

Perhaps the best way to gather this information is to arrange an interview with several families (a focus group) in your community to discuss what they need and want, or conduct a mail or telephone survey. You can find participants for your survey by contacting local churches or community groups. A sample survey questionnaire is included as Appendix B.

Identifying the population characteristics of your community is another source of information. Obtain census data for the following information:

- number of families in your community.
- number of working families with children 0–6 years.
- number of working families with children 7–14 years.
- number of recent marriages.
- number of new home starts.
- geographic concentration of families with children.
- income distribution of families.
- number of small and large businesses.
- school census data.

You can obtain this data by contacting the:

- Municipal Center or City Planning Office
- United Way Planning Office
- U.S. Census Bureau
- Information Office of your local school system

Use this information to help predict future needs for child care services. For example, if a substantial number of children are infants to six years old, you can expect an increased demand for school-age care in future years. If, however, you find that a substantial number of children are in age groups 12–14, it may not be feasible to open a child care center in your immediate community. However, the data may indicate that nearby communities need new or additional child care facilities.

Once you've answered these questions, study each section to determine what is best for your center. Remember the kind of care you provide should depend on the need for that care.

Community Needs Assessment

To capture a niche in the market, you may have to offer services that your competitors aren't offering or services they've overlooked. For example, if several child care centers in your community provide care for children

from ages three to five only, you may want to consider providing care for newborns, infants, one and two year old toddlers. Or, in addition to your daily day-care services, you may want to provide after-school care for children ages 6 to 12, depending on the need.

Market Analysis

You will discover that MARKET ANALYSIS is a very useful tool for gathering the data you'll need to determine if your idea is feasible and the kind of care to provide. You don't have to be a trained statistician to analyze the marketplace nor does the analysis have to be costly; it is simply a way for you to gather information that will enable you to determine if the service you plan to provide will sell. Know the market before investing your time and money.

To obtain information on the child care programs in your community:

- contact the licensing office at the local municipal center;
- contact the local day-care and referral agency;
- look through the Yellow Pages; or
- contact the planning office for the United Way or your local government.

When assessing your community's need for a child care program, consider the following questions:

- What type of care exists in the community?
- What age groups are being served—infants, toddlers, preschool, school-age, combinations?
- Are there age groups that need more care than others?
- What hours do the centers open and close?
- What types of service do they offer?
  a. day-care
  b. night care
  c. evening care
  d. after-school care
- How many centers are there?
- Where are the centers located?
- Is there a waiting list of people needing child care services?
- Are more centers needed in the same area?
- What service can you provide that other centers aren't offering?

Whatever service you provide make sure it responds to the families' needs, it's based on the children's interests and it promotes their intellectual, social, emotional and physical development. Remember, review all the options before deciding on the service(s) you plan to provide!

SELECTING THE SERVICE YOU PLAN TO PROVIDE

Now that you've assessed family and community needs and determined that there is a need for new or additional child care services, you must decide what kind of care you want to provide.

Planning and operating a child care center will consume much of your time and energy. So it is important that you identify your reasons for going into business and assess your skills and personality to determine if you are the right person for the job.

IDENTIFYING YOUR REASONS FOR GOING INTO BUSINESS

As a first, and often overlooked step, ask yourself why you want to go into business. Check each of the reasons that apply to you.

		YES
1.	Freedom from the 9–5 daily routine	____
2.	Being your own boss	____
3.	Improving your standard of living	____

4. Bored with your present job ____

5. Can't find a job you like ____

6. There's a demand for your service ____

7. The culmination of your hopes and plans ____

8. Something you've always wanted to do ____

Some reasons are better than others; however, none are wrong. Just remember there are tradeoffs. For example, you can escape the 9–5 daily routine, but you may replace it with a 6 AM to 8 PM routine or a schedule with little, if any, free time.

SELF ANALYSIS

There are certain personal characteristics you will need when going into business. This self-assessment questionnaire will help you identify your strengths and weaknesses, and it will either eliminate or heighten any doubts you may have about becoming a child care provider. It will reveal a lot about your character and your capabilities, so try to be objective. Remember, your future depends on the decision you make!

Self-Assessment Questionnaire

1. My health is __ excellent __ good __ poor.

2. I am a leader __ yes __ no.

3. As a problem solver, I am __ good __ average __ poor.

4. I get along well with others __ yes __ no.

5. I take directions __ very well __ well __ reluctantly.

6. I take the initiative__always__usually __sometimes__seldom__never.

7. I work better __ alone __ under supervision __ with a group.

8. I handle emergencies __ very well __ well __ average __ poorly.

9. My financial assets are __ limited __ fair __ sufficient for a year.

10. My organizational and recordkeeping skills are __ above average __ average __ marginal __ below average.

11. My business experience has been __ limited to selling __ managerial __ primarily bookkeeping and secretarial __ varied and long.

12. I am generally warm and affectionate __ yes __ no.

13. I enjoy working with children __ all of the time __ most of time __ occasionally __ never.

14. I am able to guide and discipline children kindly and effectively __ yes __ no.

15. I accept children as they are and feel a deep commitment to them and their parents __ yes __ no.

If you are in excellent physical health, a good problem solver, usually take the initiative, a risk taker and feel comfortable making decisions, then you probably will be comfortable managing a business. If you think you can succeed because 1) you have sufficient cash to operate through the critical first year (or feel confident you can raise the money), 2) you are willing to work long hours at relatively low pay and 3) you believe you possess the necessary skills—you have a chance to succeed.

Personal Skills and Experience

Certain skills and experience are crucial to the success of any business. It is unlikely that you will possess all the skills and experience needed, so you'll have to hire personnel to supplement those you lack. But there are some basic skills you'll need for your business.

Answering the following questions will help you identify the skills you possess and those you lack.

	YES	NO
1. Do you know what basic skills you'll need to operate a successful child care program?	___	___
2. Do you possess these skills?	___	___
3. Do you have any business experience?	___	___
4. Have you ever worked as a director or manager?	___	___
5. Have you reared children of your own?	___	___
6. Do you have any child care experience?	___	___
7. Is responsibility new to you?	___	___
8. Are you willing to work long hours if necessary?	___	___
9. Are immediate profits or covering costs important to you?	___	___
10. When hiring personnel, will you be able to determine if the applicant's skills meet the requirements for the position you are filling?	___	___

TIME MANAGEMENT

Since operating a child care center will consume much of your time, you may discover that you don't have enough time to perform daily chores like cleaning the house, doing laundry, going to the market or spending time with your family.

Even in an office setting, it is very difficult for some people to make and keep work schedules. As your own boss, the problem can be much greater. To determine the amount of time you will need to devote to the children, draft a weekly task timetable listing all current and potential responsibilities and the time required for each.

You may have to rearrange your daily schedule to accommodate the children. Set aside specific days or times, depending on the chore, for house cleaning, doing the laundry, going to the market and preparing dinner for your family. This will allow you time to complete your chores, time to care for the children and time to spend with your family. For example, if you are accustomed to cleaning your house early Friday morning, it may be better to clean the house in the evening after the children leave. By allocating specific rooms for the children to use and closing off family rooms, you will provide a degree of privacy for your family and will prevent the children from messing up the entire house.

There are many things that you can do to help manage your time wisely. So take the time to create a realistic timetable that will allow you time to devote to your home and family and time to care for the children.

GETTING READY FOR BUSINESS

Preparing for opening your business is the next critical area. The following sections are grouped according to function. They are designed to help you prepare for "Opening Day."

Name and Legal Structure

Choosing a name and legal structure for your center is important, especially if you plan to borrow money to start your business. Many entrepreneurs seldom consider these points until the questions appear on the loan or licensing applications.

Select a name that's catchy and easy to remember. Get ideas from your family and friends; they are an excellent source for generating ideas.

Think carefully before deciding on the legal structure for your center. Most people operating child care centers, operate them as sole proprietors. However, you may

find that incorporating or forming a partnership offers more advantages.

Consider the following points when choosing the legal structure for your center:

1. **Sole proprietorship**—The owner is the business. You must file business and personal tax returns at the same time.

   —**Advantages:** Simple and inexpensive.
   —**Disadvantages:** Personal legal liability.

2. **Incorporation**—A likely choice for businesses with employees or bank financing. Attorney and fees costs from $500 to $1,000.

   —**Advantages:** Credibility and personal assets are protected if the business fails or is sued.
   —**Disadvantages:** Taxes on profits potentially higher than with a sole proprietorship.
   Subchapter S Corporations allow business profits and losses to become part of the owner's personal taxes.

3. **Partnership**—A legal mechanism that divides profits and losses between participants. Partnerships are governed by the law of the jurisdiction in which they are formed.

   —**Advantages:** For the protection of each partner and to ensure effective management of the business, partners should enter into an agreement which sets forth their respective rights and responsibilities.
   —Allows some businesses greater financial resources.
   —Allows individuals with complementary skills to become part of the management of the business.
   —**Disadvantages:** Unlike corporations, each partner comprising the partnership is personally liable for the partnership's debts.

LICENSE REQUIREMENTS

Before starting your child care center, know the many regulatory systems that will affect your program and future decisions. Most states, by law, require that child care centers be licensed. Some cities and counties may have additional licensing requirements, such as health requirements, life and safety codes, fire inspections and zoning laws.

Even though licensing requirements vary from state to state, most licensing regulations include the following:

LICENSING REGULATIONS MAY INCLUDE SECTIONS ON:

PHYSICAL SPACE

- number of square feet needed per child for both indoors and outdoors, depending on the children's ages.
- lighting, heating/air conditioning, ventilation, plumbing.

HEALTH REQUIREMENTS

- annual medical examinations for staff and for children may be required.
- immunization records usually are required. Even if they aren't, it's an important safeguard to consider.

STAFF-CHILD RATIOS

- the minimum number of adults required for a given number of children, depending on their ages. Some states also regulate the maximum size of groups of children, in addition to specifying minimum qualifications for staff.

FOOD PREPARATION AND NUTRITION
EMERGENCY PROCEDURES
EDUCATIONAL PROGRAM REQUIREMENTS
RECORDKEEPING
DISCIPLINE

BUILDING SAFETY REGULATIONS MAY INCLUDE SECTIONS ON:
- type of construction, number of exits, fire doors.

SANITATION (HEALTH) REQUIREMENTS MAY INCLUDE SECTIONS ON:
- plumbing requirements.

- food preparation and equipment.
- adequate ventilation in bathroom(s) and classroom(s).

FIRE REGULATIONS (LIFE SAFETY CODE) MAY INCLUDE SECTIONS ON:

- posted fire drill procedures.
- adult-child ratio requirements.
- number of exits.

ZONING REGULATIONS MAY INCLUDE SECTIONS ON:

- number of square feet per child of outdoor space.
- fence requirements.
- type of neighborhood where small businesses may be located.

Check the zoning regulations in your area with both the local government and with any property owners or homeowners' associations to find out if the type of child care services you are planning to provide is permitted or if there are restrictions. There may be a local child care advocacy group or professional association that can answer your questions and help you with zoning problems.

The licensing process is also described in the licensing regulations. The following outline briefly identifies the steps involved in obtaining a license.

1. Contact the licensing office in your state.
2. Obtain a copy of the licensing regulations. Read them carefully.
3. Arrange a meeting with licensing specialists. Go over the regulations and procedures for obtaining your license.
4. Contact inspectors for building, sanitation, fire and zoning codes and arrange for them to visit your center. Remember, even if your center is located in your home, you will have to meet certain safety regulations.
5. Arrange for the licensing specialists to visit your center.
6. Fill out and submit your licensing application once you have fulfilled all the requirements.

Since licensing regulations and procedures vary for each state, contact your local Licensing Office for specific information.

FINDING A LOCATION

The cost of the center itself, especially for a location outside your home, will be one of your major start-up expenses. Many child care providers operate from their homes, but you may want to build, buy or rent space for your center. Whether you operate from within or outside your home, be aware of and comply with local zoning, building, fire, health and sanitation codes. Violating these codes can result in a fine and/or suspension of your license.

Choosing A Center Location Outside Your Home

Finding adequate space and the right location based on family preference requires money, time and thought. Spend time looking for space that is accessible and will require few, if any, repairs.

When you think you've found the right location, ask your licensing specialist to inspect it. If renovation is needed, the specialist will often be able to give a cost estimate or direct you to someone who can. Be sure you do this before signing a lease or purchase agreement.

PLACES WHERE SPACE MAY BE FOUND AND WHO YOU MAY NEED TO CONTACT:

Check the classified real estate ads.

- homes for rent or sale.
- apartments for rent or sale.
- condominiums for rent or sale.
- "Boarded Up" space.

Contact local churches/synagogues.

- ask ministers/rabbis/priests if they have space they would donate or offer at a reduced rate.
- ask superintendents if there are any empty school buildings.
- ask hospital administrators if there is space available for rent or to donate.

Contact local industry.

- ask the Public Relations Office if it has available space to rent or donate.
- approach commercial contractors about new commercial and residential space.

- local government officials may be willing to donate or rent space in their buildings.

Contact property management companies.
- find out if there is any space in office buildings.

As you begin to look at possible places, **consider the following questions.**

1. Does it meet licensing requirements?
2. Does it meet building, sanitation and fire codes for day-care centers? If not, what has to be done, and how much will it cost?
3. Is the area zoned for day care?
4. Is the location convenient for parents?
5. Is public transportation available?
6. Is there adequate fire and police protection?
7. Is crime insurance necessary and available at a reasonable rate?
8. Is the area safe?
9. Can the space provide separate areas for different activities?
10. Does it have outdoor space or is a playground nearby?
11. Does it have kitchen and adequate bathroom facilities for both children and adults?
12. If you will be sharing the space (church or school, for example), will you have to move equipment before others can use the space?
13. Can you afford it?
14. What were the utility bills last year?

If you are not building your own center, in most cases, some changes will be needed. Renovation involves projects ranging from painting to rewiring or major plumbing which often becomes very expensive. Sometimes with major renovation you can negotiate with your landlord to perform the work at a corresponding increase in your monthly rent.

If you have to draw up your own lease or even if you are given a lease to sign, responsibility for the building must be clear to both you and the landlord. This is also true if you are purchasing a building. Your lawyer should review and explain all the conditions of the lease or contract to you before you sign.

REMEMBER, A LEASE SHOULD INCLUDE:
- specifications for the space to be used and exactly when it will be used.
- how and when rent is to be paid.
- who is responsible for maintenance, repair, insurance, extermination, garbage and snow removal, if required.
- who will pay if there is an increase in real estate tax.
- who will be responsible for obtaining official permits, if required.
- an option to renew.

Occupancy (space) costs include utilities, insurance, maintenance and repair expenses. It is important to be able to **estimate your cost as you project your budget.** To help make those estimates:
- find out what the utility costs were last year and account for inflation.
- determine if a deposit is required for opening a utility account. If so, how much?
- determine whether your account will be based on commercial (business) rates or private home rates.

OTHER QUESTIONS TO CONSIDER ARE:

1. What is included in maintenance and repair?
    - plumbing, wiring, roof plus outside and inside walls
    - cleaning supplies and equipment
    - snow removal, if required
    - trash removal
    - lawn mowing
    - insect control

2. What kind of insurance do I need?
    - liability
    - fire and theft

These are a few of the items you will need to consider. As you think of other items, write them down and check them off as you complete the task. It may be a good idea to keep a checklist, that way you'll know which tasks have been completed and which ones are pending.

Operating Your Center From Your Home

Operating a child care center outside your home is very costly. It may not be financially feasible for most child care providers to choose this option. As a matter-of-fact, many very successful child care centers are located in the homes of the providers. The advantages of operating a center from your home as opposed to an outside location are:

- it's less expensive
- it's convenient for the provider and generally the parents
- the overhead is lower
- it offers more flexible hours, and
- you're closer to your family

There are, however, certain safety regulations with which you must comply. To meet these requirements, you may have to make minor changes to the rooms you will be using. Before you renovate and after you finish, have the licensing specialist and building inspector visit your home. Their suggestions and recommendations can save you money.

You also are required to have adequate insurance protection for the center. If you don't already have fire and theft insurance for your home, you will need to obtain a policy. If you have insurance, make sure your current policy covers the supplies and equipment that you purchase. You will, also, have to purchase liability insurance—it will provide protection for your center, staff and children. More detailed information on insurance protection is provided in the Section, Protecting Your Center.

TAX LAWS

Licensed child care providers, like all business owners, are legally required to meet certain tax obligations. As a business owner, you will have to pay both federal and state taxes. The legal structure of your business will determine the amount of taxes you will pay and the forms you will use.

Sole Proprietorship

Each year, you will use the Schedule C Form of the Basic 1040 Individual Tax Return for reporting your business income and expenses. Good recordkeeping of both income and expenses is essential in order to report the proper information on these tax forms.

INCOME

Keep a ledger of all the money you are paid for child care, whether in cash or by check. Record each payment, especially cash, immediately to avoid overlooking a payment and causing a bookkeeping error. Your ledger should include:

- your clients' names,
- date of each payment,
- period covered by the payment,
- amount paid, and
- receipt number.

Payments should be deposited in your bank account and cash for daily operations should be withdrawn by check only. It may be a good idea to open a separate bank account for your business. This makes it easier to monitor business income and expenditures. It will certainly make reporting your business taxes easier.

EXPENSES

All payments that you make for your center, whether by cash or by check, are business expenses. To maintain adequate records of these expenses, always save your receipts, especially when you spend cash. The better your records, the easier it will be to complete your tax forms at the end of the year.

Certain items may qualify as a tax deduction if these purchases are made solely for your center:

- toys and activity supplies
- food for the children in your care
- playground equipment
- wages for assistants or substitutes

- advertising
- legal and professional services for your business
- office and recordkeeping supplies
- insurance for your business
- child care related travel (e.g. $0.21 per mile; the allowable amount will vary according to your location)
- typewriter/computer
- utilities
- depreciation

Expenses that benefit both your center and your family will not ordinarily qualify as a tax deduction. But tax regulations do permit you to write off any specific area of your home that is used strictly for business purposes.

Other forms that you may need to comply with federal regulations are:

1. **Schedule SE—Social Security or Self-Employment Tax.**
2. **Form 4562—Depreciation.**
3. **Form W–2—Wage Statement.**
4. **Form 1040ES—Federal Estimated Tax Payments and State Estimated Tax Payments.**
5. **Schedule C 1040 Individual Tax Return.**

Corporations

Taxable income for corporations reflects deductions for costs of doing business. Corporations are taxed based on a graduated scale with the minimum rate being 34% of the Taxable Income. Use Form 1120 to report the annual income of the corporation.

The items listed as deductible under proprietorships are also deductible for corporations. However, if you operate a child care center in your home, certain items are deductible only to the extent such costs relate to the operation of the center. These items include:

1. **heat, water, and electricity.**
2. **costs of staff salaries unless they are unreasonably high.**
3. **depreciation, which is deducted in computing taxable income.**

Distribution of profits to shareholders, which are made through dividends, are not deductible by the corporation. However, these dividends are subject to double taxation in that they are deductible by the corporation (i.e., they are paid with after-tax dollars), and shareholders are taxed on receipt of dividend distributions.

Partnerships

A partnership is a so-called "pass-through" entity. The partnership itself pays no tax. Each year the partnership must file an annual information return, **Form 1065, Section 6031(a)** with the Internal Revenue Service. In addition you must prepare **Form K–1, Section 6031(b),** which spells out each partner's proportionate share of profits, gains, losses, deductions and credits. Such amounts are reported on each partner's tax return.

S Corporations

S Corporations are hybrid entities having characteristics of both corporations and partnerships. S Corporations pay no tax but must file annual information returns and prepare statements for each of the shareholders, showing the items of income, gain, loss, deduction or credit allocated to each shareholder for the taxable year. Such amounts are reported on the shareholders tax return (**Form 1040 Schedule C** for an individual).

Reporting business taxes can be a very complicated, tricky matter. To avoid costly errors, anyone contemplating opening a child care center, or any business, should consult a tax specialist (accountant or lawyer).

This section is not intended as a substitute for tax advice by a professional tax specialist nor does it list all the forms which must be filed by each entity. For additional information on these and other forms, contact a tax specialist or the IRS.

Tax-Exempt Centers

To qualify for certain federally-funded programs, you will have to establish a non-profit center. By doing so, you are eligible for tax-exempt status. In a non-profit organization, any money left after expenses is returned to the operation of the center (i.e., salaries, remodeling). You must, however, file an application and meet IRS eligibility requirements to claim this status.

Advantages of Tax-Exempt Status:

- state sales taxes do not have to be paid.
- contributions are tax deductible to the donor whether made by an individual or foundation.
- grants are easier to obtain from both private and public sources.

To qualify for tax-exempt status, incorporation is necessary. The process for incorporation varies widely in each state, but all require By-Laws which will be specific to your organization and many require a Board of Directors. Information on incorporation can usually be obtained at the Secretary of State's Office or the Department of Corporation. A small fee is usually required.

Once you have filled your Articles of Incorporation and all other state requirements, you can file for tax-exempt status. Contact your local IRS office for information on tax-exemption and the proper forms.

Remember, even with an IRS exemption, you are still required to pay state taxes. To receive state exemption, you must file with the appropriate state agency. The state, however, will not give an exemption until the IRS exemption has been granted.

Before deciding on a non-profit center, contact your lawyer. If you don't have one, contact the local bar association for a list of lawyers' names. Sound legal advice will provide the information you need to help you make the right decision.

PROTECTING YOUR CENTER (INSURANCE)

Starting and operating a business involves a degree of risk. It is important that you, like all business owners or investors, get adequate insurance protection for your business. If you aren't exactly sure what type of insurance will best protect the business, discuss the types of coverage you will need and make a careful comparison of the rates and coverage with several insurance agents before making a final decision.

Insurance coverage varies from state to state, but there are several types of insurance available for child care providers. Liability and accident insurance, however, are considered essential.

LIABILITY INSURANCE

Almost every state requires that child care providers follow certain health and safety guidelines. Providers are responsible for supervising the children at all times and for handling any emergency appropriately.

Liability insurance generally is purchased to cover a child care program for most injuries that may occur. If you have general liability insurance, the insurance company will defend you if you are sued. If the court decides that you are "liable" (meaning your negligence caused the child's injury and therefore, you should pay compensation), the company will pay the money judgment up to the limits of the policy.

The provider is liable and can be sued in court if a parent alleges that an accident occurred because of negligence or failure to exercise reasonable care. You, your employee(s), your home or your property can be found to be negligent.

Seven states require that providers carry liability insurance, at least in some situations, and many others strongly advise it. To find out about your state, contact the local office that licenses or registers family day care or call a providers' organization.

Most general liability policies cover four basic types of costs:

1. **bodily or personal injury**
2. **damage to others' property**
3. **immediate medical relief at the time of an accident**
4. **the legal costs to defend you in a lawsuit.**

Other areas for possible coverage are:

- transporting children
- accidents where no one is at fault
- defense costs in the event of physical/ sexual abuse
- damage to your property.

There are, however, two basic types of commercial liability policies: 1) **claims made** and 2) **occurrence**. With claims-made policies, you are only covered for incidents that are **reported** during the time your policy is in force. Occurrence insurance covers you for incidents that **occur** during the time your policy is in force. Your coverage is much broader, then, with occurrence insurance.

Shop around to see where you can get the coverage you need for the best price. Use only licensed agents or brokers.

Liability insurance is expensive, but there are several precautions you can take to reduce the chance of accidents occurring.

- Childproof every room where the children will be; imagine any possible accident, and prevent it.
- Take first aid and CPR courses (call your local Red Cross for information).
- Learn to keep an eye on all the children.
- Keep walkways, stairs, and sidewalks clean.
- Avoid fire hazards.
- Choose responsible assistants and substitutes.
- Develop clear health and safety policies.
- Encourage parents to visit any time and give them your written policies.

You will find that these and other policies that you may implement will make your center safer. For additional information on the different types of **Liability Insurance**, contact your insurance agent.

ACCIDENT INSURANCE

For a small cost, you can buy insurance to supplement the family's medical insurance if a child or employee is injured. Talk to an agent or broker before deciding on the coverage.

FUNDING YOUR BUSINESS

Many excellent ideas that could develop into profitable business ventures oftentimes never get underway or fail because you don't have adequate money to start a business. Getting funding for your business can pose a problem, especially if you don't know where to go or whom to see.

There are many sources where you can obtain the money you will need to finance your center. However, that financing depends on whether you are beginning a non-profit or for-profit organization.

While public funding is seldom available for start-up, there are several different sources for loans and grants for which you can apply. These sources of financing can be divided into six categories: private sources, venture capitalists commercial banks, government agencies, grant programs and other sources.

Of these funding sources, those most likely to help you finance your center are private sources, commercial banks, government agencies, grant programs or other sources. Venture capitalists are an unlikely source of funding because they tend to invest in growth firms rather than start-up businesses because of the 1) significant long-term capital appreciation and 2) the high yields generated on investment returns.

PRIVATE SOURCES

A common method of financing comes from private sources such as your own savings or from friends or relatives.

The advantages of using your own money are 1) there are no finance charges, and 2) it cuts down on your search for funds. The disadvantages are 1) you lose the interest you could be earning on your money, and 2) you also lose the cushion for any future emergencies if you use your savings now.

The advantages of borrowing from friends and relatives are they are less likely to make demands on your style of management, and there is no legal limit on how much you can borrow. Another advantage is that the terms of borrowing can be negotiated and usually are more flexible. The disadvantage centers on the potential problems that may arise if the money isn't paid back on time.

COMMERCIAL BANKS

All banks have a commercial banking division. Since the banking industry was deregulated, many savings and loan associations also engage in commercial banking. All commercial banks offer business loans—both short-term and long-term loans at prevailing interest rates.

When applying for money from either a bank or individual investor, show a willingness to invest your own money. Banks will require collateral to secure their loan against total loss in the event of default. In other words, to obtain funding, the amount of cash or other assets which you will need will depend on the potential success of your business and the level of risk as evaluated by the lender. You must be willing to risk your assets if you expect others to risk theirs.

If you need a listing of commercial banks in your area, consult the **Yellow Pages** of your local telephone directory or get a referral from a trade association, management consultant, attorney, accountant, friend or relative.

GOVERNMENT AGENCIES

There are many federal, state and local government agencies that offer special financial assistance to small businesses. Many loan programs are available at any given time. These loan programs are administered under government guidelines and are funded by the government. Each program is designed to assist a special type of business.

States provide financing through a variety of instruments. Many are similar to those used by private sector sources, but they may incorporate public policy objectives, such as job creation or tax revenue enhancement. Such instruments are usually designed to ensure that state funds are protected and that the proceeds are used for productive and targeted purposes. So restrictions on the business and the use of state funds are typically imposed.

Loans can be extended directly by a state, through a state-chartered corporation, or indirectly, through guaranteed loans from commercial lenders. Typically, loans are used for longer term capital needs, such as plants and equipment. Most states require collateral, so that in the event of loan default, the state doesn't lose its entire investment. Interest rates may be at the market rate or may be subsidized by the state. Most loans require the borrower to satisfy certain criteria before a loan is granted. Business credit review criteria often include: qualified management, market potential for the firm's product(s), sufficient collateral to secure the loan and adequate cash flow from operations to service debt.

For an up-to-date list of loan programs available and for the requirements of each program, contact your local Small Business Administration (SBA) office for information on federal loan programs, or contact your State Economic Development Office for information on state loans and grant programs.

GRANT PROGRAMS

Grants are sums of money provided to businesses without a repayment obligation. Grants can be funded by federal and state government agencies or by private foundations. Grants are rarely used except for research and development, and few for-profit businesses qualify for grant programs. They are generally reserved for non-profit organizations.

You will have to submit a written proposal to the agency, organization or foundation where you apply for

a grant. It is a good idea when applying for a grant from private funding sources to:

1. **Call or visit their offices.**
2. **Ask if they have special forms or guidelines for submitting a proposal.**
3. **Ask if there are any special requirements for applying to be sure that you are eligible.**
4. **Find out what their funding cycle is (some only give money at certain times of the year).**
5. **Find out when applications are accepted and decisions are made.**

Your proposal should describe:

1. **purpose (explain why you want to start a day care center).**
2. **goals (what kind of center).**
3. **procedure (how will you start).**
4. **budget (how much it will cost to start and operate your center).**
5. **evaluation (how will you determine if your business will meet your purpose and objectives).**

Once you have completed the proposal, review it to make sure you have met the requirements. Then submit it to the appropriate office or officer. If your proposal is rejected, find out why. Ask if you can make the necessary changes and re-submit. Sometimes they are willing to fund part of your original request. Find out which parts they can fund and re-submit for those parts.

OTHER SOURCES

Credit unions and life insurance companies also can be a source of funds.

- Credit unions offer personal loans to members usually at interest rates lower than those offered by commercial banks.
- Insurance companies often will loan you money against your life insurance policy for up to 95% of the policy value. Interest rates charged by insurance companies also generally are lower than those charged by commercial banks. Interest payments also may be deferred as long as your premium payments are made. But until the loan is repaid, your coverage will be reduced by the amount of the loan.

Whatever financial institution you approach, show a willingness to risk your own money and have a business plan or proposal that is well written, factual and organized in logical sequence.

DEVELOPING A FINANCIAL MANAGEMENT PLAN

Having a sound financial-management plan is paramount to the success of any business. Each year numerous small businesses, including child care centers, fail because of bad financial management. If your operation is to work, plan a sound, realistic budget. Determine the actual amount of money needed to open your center (start-up costs) and the actual amount it will take to keep it open (operating costs).

A budget is a plan which provides a realistic projection of actual estimated expenses (what you will spend) and income (money coming in). Preparing both a start-up budget and an operating budget will tell you what you will spend (now and in the future) and where the money will come from for starting and operating your center. Most important, it will indicate whether your projected income will meet your expenses.

BUILDING A WORKABLE BUDGET

The first step to building a sound financial plan is devising a **start-up budget.** Your start-up budget will **usually** include such "one-time-only" costs as major equipment, renovation, utility deposits and down payments. You will not have these costs once the center is operating. Additionally, your start-up budget should include at least 60 to 90 days of operating costs.

In estimating your costs, find out what it has cost other child care centers (i.e., planned and unplanned expenses) to open for the past two years. Remember to figure in the current inflation rate when determining your costs. The following chart will help you identify the items to include in your start-up budget. Once completed, it will tell you how much money you will need to start your center.

CHART-1

START-UP BUDGET

EXPENSES

	Amount
Personnel (costs prior to opening)	_____
Occupancy	
Downpayment or purchase of building	_____
Building remodeling costs	_____
Rent deposit	_____
Deposit for utilities	_____
Equipment	
Office	_____
Program	_____
Installation fee	_____
Supplies	
Program	_____
Office	_____
Housekeeping (toilet paper, cleaning, supplies)	_____
Food Service	_____
Miscellaneous	
Advertising	_____
Food (1st month)	_____
Legal and professional fees	_____
Operating cash	_____
Insurance	_____
Depreciation	_____
Total	_____
Income	
Total	_____

Operating Budget

An operating budget is prepared when your center actually opens and begins caring for children. It reflects your priorities in terms of how you spend your money, the expenses you will incur and how you will meet those expenses (income).

From the moment the door to your new business opens, a certain amount of income will undoubtedly come in. This income, however, should not be projected in your operating expenses. You will need enough money available to cover costs for the first 60 to 90 days, depending on the size and location of your center. As you estimate your expenses, other centers can help you project your actual costs, particularly for such items as telephone and supplies.*

* Below is a sample operating budget that will help you project your annual operating expenses.

CHART-2
ANNUAL OPERATING BUDGET

PERSONNEL	% OF TIME	ANNUAL SALARY	TOTAL
Director/Head Teacher	100%	_____	_____
Sec/Bookkeeper	50%	_____	_____
Teachers ( )	100%	_____	_____
*Aides (1)	100%	_____	_____
(2)	50%	_____	_____
Cook/Maintenance	100%	_____	_____
Fringe Benefits @ 15%			_____
Substitutes @ x minimum wg/hr x no. wks.			_____
OCCUPANCY			
Rent @ $amt/month x 12 months			_____
(number of square feet @ x $amt/sq.ft.)			
Heat			_____
Electricity			_____
Telephone			_____
Insurance			_____
EQUIPMENT			
Educational			_____
Kitchen			_____
Housekeeping			_____
Office			_____
Depreciation			_____
SUPPLIES			
Educational			_____
Housekeeping			_____
Office			_____
**FOOD (2 meals and 1 snack)			
($amt x no. of children x no. dys)			_____
OTHER EXPENSES			
Advertising			_____
Licensing fees			_____

*To cut operating expenses, you may be able to find volunteer aides through local community youth employment programs.

**Food function services as rendered.

ANNUAL OPERATING BUDGET—Continued

PERSONNEL	% OF TIME	ANNUAL SALARY	TOTAL
Insurance (liability @ x $amt/child/yr)			_____
Subscription/membership			_____
Audit			_____
		Total	_____
ANNUAL PAYMENT ON			
$amt for START UP LOAN			_____
		Total Expenses	_____
INCOME			
Parent fees (***assess 90% enrollment)			
(no. of children x enrollment % x $amt/wk			
x no. of wks)			_____
Fundraising Donations			_____
		Total Income	_____

***Since enrollment is rarely consistently 100%, a safer estimate is to start at 70% and work up to 85 to 90%.

Projecting Monthly Operating Expenses

The primary source of income for your center will come from fees paid by the parents. It is important to determine if your monthly income will produce enough money to pay each month's bills. An estimated cash flow projection will help you determine this.

Use the sample chart to build a worksheet to help you with this problem. In this sample, all income is generated by monthly tuition fees.

CHART–3

ESTIMATED CASH FLOW FORECAST

	Cash in bank (1st MO)	1	2	3	4	5	6	7	8	9	(etc.)
Total cash (1st MO)											
Expected Tuition fees											
Total receipts											
Total cash & receipts											
Disbursements for MO (rent, loan payment, util's, wages, etc.)											
Cash Balance (End of MO)											

Even if you are operating your center from your home, it is important to project monthly operating costs because tax regulations do permit you to write off any specific area of your home that is used strictly for business purposes; and certain items are deductible to the extent such costs relate to the operation of the center (e.g., utilities). Furthermore, a monthly cash flow projection will enable you to maintain a more accurate record of business income and expenditures.

First-year operating costs will run higher than initial start-up costs. However, it is important to add the two totals. This will reveal how much money you will need from the time you decide to open the center through the center's first year of operation. If parent fees are included on your revenue side (money coming in), most centers do not have total enrollment until at least three months after they have opened for operation and some take several years.

After completing your projected expenses and revenues, determine whether the costs (expenses) match the income (revenues). If they do not, you will need to lower the costs or reevaluate your market. If you cannot raise additional monies, decide where you can cut costs. For example, can you reduce your program's supply costs by relying more on recycled materials? Would such cuts help? You may be tempted to cut personnel salaries or fringe benefits since it consumes a large part of your costs. Professional salaries and fringe benefits are important in attracting and maintaining a well-qualified staff. Reducing staff may place you out of compliance with state licensing requirements and your own standards of quality. You may want to look for other sources of revenue or you may want to consider an increase of parental fees or tuition.

Check your needs assessment and determine what parents can afford to pay and what seems to be the going rate at centers similar to yours. Be aware of tax credits available to parents for day care, and contact your local IRS for the latest information on child-care tax credits.

Some centers have a sliding fee scale which means that parents are charged different scales depending on their income-level and number of children. Remember, if you lower a fee you have to make it up in other fees. Bill parents on either a weekly or monthly basis. Don't let payments fall behind because the longer they are overdue, the harder they are to collect. Since you probably will not have 100 percent enrollment when you first open, plan for this when developing your budget through a 12-month period. Decide whether to charge parents for the days when a child is ill, on vacation or holidays.

Additionally, your budget should include fiscal policies. For example, determine when staff is to be paid (weekly, bi-weekly, monthly), late fee payment policies for parents, who is to pick-up the child and tax reporting. There may be other policies that you will think of, so write them down and include them as part of the Child Care Contract.

AUDITS

Audits play an important role in ensuring the sound financial management of a business, and your center will be no exception. It provides a review of appropriate financial records and books by an independent public accountant. It determines whether you have spent money appropriately, that is, according to your budget, and any requirements mandated by various funding sources as well as state and federal regulations. It protects you by providing an accurate financial statement and by providing recommendations to improve your financial management. Many funding sources require a financial statement or audit as a condition of future grants or contracts. You should, therefore, budget for an audit or look for an accountant who will do it for little or no charge. Contact your local accounting association for accountants who can help you.

To ensure sound fiscal management of your center, contact an accountant or an accounting firm to help you set up your books. Their help will be invaluable!

DEVELOPING A MARKETING PLAN

How you market your center may make the difference between its success or failure. Marketing plays an integral role in the start-up and daily operations of any business, and your center is no exception. Like any other business, a child care center has a product/service that consumers want and are willing to purchase. Therefore, you will have to sell your product/service (the center) to consumers (parents) who want care for their children. Your marketing plan can help you achieve this goal.

KNOW YOUR CUSTOMERS

Even though the needs assessment indicates that your center is needed, don't expect full enrollment on opening day. It may take from one month to a year to achieve that goal, and how you advertise can make the difference.

Knowing your customer is the key to successfully marketing your center. The more you know about the parents' expectations, the easier it will be to develop a program that meets their needs, as well as the children's. The data collected in the needs assessment will help you do this.

Devise a list of questions that will help you identify what the parents will likely need, want and expect of your center. Use the data collected in the needs assessment and the survey questionnaire to help answer these questions. The questions may include:

1. What type of service will be provided?
2. What are the operating hours?
3. How many staff members have degrees or training in early childhood education or a related field?
4. What is the teacher to child ratio (e.g., 1 adult: 7 children)?
5. Will the curriculum be structured/Will there be a curriculum?
6. Have you or will you devise an activities schedule?
7. Where is the center located?
8. Is the location convenient and easily accessible?
9. Do the operating hours facilitate the parents' work schedule?
10. Is extended evening care available?
11. Will means be provided?
12. Have or will medical/first aid policies be developed?
13. What are or will be the sleeping arrangements?

Once you have answered these questions, you will have a base from which to develop your marketing plan.

DEVELOPING YOUR MARKETING PROGRAM

Many first-time business owners think that by simply placing an ad in the local newspaper or a commercial on a local radio or television station customers will automatically flock to purchase their product or service. This is true to a certain extent. Some people are likely to learn about your product/service and try it, just out of curiosity. But hundreds even thousands of other possible customers may never learn of your business. Just think of the money you'll lose, simply because you didn't develop an adequate marketing program!

Remember, the key to success is knowing your customers' needs, arousing them to the point of consumption and providing products or services to fulfill those needs.

Marketing is an essential part of business. It oftentimes determines how successful your business will be. So take the time to plan the best strategy to promote your center.

There are certain factors, however, you should consider when developing your marketing strategy. They will aid you in formulating a successful promotion plan. These factors are called the **5 P's of marketing**:

- **product/service**—child/healthy development.
- **price**—competitive within your market area.
- **place**—geographically located within your market, adequate parking, good street lighting, easily accessible.

- **promotion**—method of advertising, highlighting business, i.e., a sound business gimmick.
- **persuasion**—ability to sell yourself and business to the surrounding community.

Each requires an investment in dollars, time and effort—but the reward will be worth it. Devise a plan that uses advertising and networking (word-of-mouth) as a means to promote your center. Develop short, descriptive copy (text material as in an advertisement) that clearly identifies the services (your center), its location and price. Use catchy phrases to arouse the interest of your readers, listeners or viewers. Remember, the more care and attention you devote to your marketing program, the more successful your center will be.

HOW TO MARKET YOUR CENTER

No matter what advertising media you use, you will have to spend money, so allow for advertising expenses in your budget. There are many ways to advertise your center, but keep in mind that advertising can be very costly, depending on the medium used. Newspaper ads, radio and television commercials are the most expensive ways to advertise your center. If you can afford to advertise using one of these media, talk to an advertising agency before making a final decision. Since advertising is an investment in your business' future, it's important to find out as much as you can before making a decision. Once you've decided on the medium, get the agency to help you design your ad or create a commercial.

Start advertising your center at least three (3) months before you open for business. And make sure your advertisements are consistent with the image you are trying to project.

Whatever advertising media you use, be sure to include the following information:

1. name, address and telephone number of the center,
2. ages of children who will be accepted,
3. hours the center will be open,
4. fees charged,
5. a paragraph about the program and the qualifications of the staff,
6. who to contact for more information, and
7. date you plan to open.

INEXPENSIVE ADVERTISING TECHNIQUES

Since you may not have the money to advertise by radio, television or newspaper, don't be discouraged. There are other inexpensive, yet effective alternatives. A brief description of each follows.

FLYERS—One inexpensive way to advertise your center is to post flyers in public buildings, such as shopping centers, markets, laundromats, restaurants and community centers. Get permission from the owner(s) or governing body (e.g., managers, board of directors) to use these facilities before posting your flyers because some public buildings may prohibit solicitation.

BROCHURES—Distributing brochures is another good way to advertise your center. Take brochures or flyers to the employment offices, libraries, schools, personnel offices of businesses and industries and to government agencies, hospitals, union headquarters or shops, women's groups, colleges and universities, church groups and the PTA.

Study written advertisements in the newspapers and magazines; ask yourself which ads appeal to you and why. Try to develop ads similar to those you like. If you know someone in advertising or public relations, ask them to help you design your brochures, flyers, posters or ads; otherwise you will have to pay for the service if you solicit professional help.

BUSINESS CARDS—are an excellent, inexpensive way to advertise your center. Have business cards printed in lots of 1,000 that include your name, address and telephone number, the hours, and the ages of the children you'll care for. Ask parents, friends and relatives to pass them out to interested people at work. Take them along to pass out when you take the children on a field trip or a walk in the neighborhood. Go to elementary schools nearby, introduce yourself to the office staff, and give them some of your cards and flyers. Anyone who works with families may be able to make referrals to you—ministers or rabbis, pediatricians, parental groups, business or civic organizations are good sources. Provide them with business cards, flyers or brochures on your center. That

way if they make a referral they will have an idea of the kind of service you will be or are providing and can talk knowledgeably to the prospective client.

REFERRAL AGENCIES—The number of child referral agencies is growing. If you are licensed or registered, you may be eligible to be listed for referrals by the licensing office and other referral agencies in your community. Check the *National Directory of Child Care Information and Referral Agencies* for the agency nearest you. For this information, write to the *California Child Care Resource and Referral Network, 809 Lincoln Way, San Francisco, CA 94122.*

NETWORKING—Perhaps one of the best ways to market your center is through networking. Since most parents choose their child's care-giver from word-of-mouth, talk to people personally. Get the word out about yourself and your program to people who might have the opportunity to recommend you. Volunteer to speak to local civic and church groups and to the PTA.

Networking adds a personal credibility to your service that advertising can't. People more readily believe what their friends and families say about a product or service than what an advertisement suggests. This is primarily because advertisements are designed with the intent to get you to purchase a certain product/service at any cost while word-of-mouth referrals are based on an individual's use of a product/service. Since most people value their families' and friends' judgment about a service more than an advertisement, parents will more likely choose your center.

Furthermore, how easily you find children depends on how good you and your program are. If parents just love the way their children are happy and thriving at your center, they will tell their friends. Good providers are in high demand almost everywhere. You will also more likely draw families if your center is clean, safe and appealing to children. If parents sense that their children would be bored or afraid at your center, they are likely to look elsewhere.

YELLOW PAGES—Directory advertising is completely different from other advertising forms. They are used by people who are ready to buy. Although other media deliver readers, viewers or listeners, directories deliver strictly buyers.

As with any print vehicle, coverage of the marketplace is important. Be sure your entire market is covered by the intended directory with minimal waste.

To ensure the success of an advertising program, try to meet your competition head on. Look at your competitors. In what sections do they advertise? What size ads do they use? After assessing your competitors, decide on the type of ad you want to place.

Directories are a source of information for buyers. People who use directories need specific information to complete their buying decision and frequently make decisions based on the information in directories. Include as much information as possible in your directory ad.

CLASSIFIED ADS—place an ad in the classified section of your local newspaper. Announce your opening in the business section as well as other feature sections. Many people read the business and classified sections of the newspaper during their commute to and from work. Placing an ad in these sections increases your clientele base.

Once parents begin to respond, you will need to make appointments with them to discuss enrolling their children at the center. At that time, in addition to the enrollment form, you will need *policies* that address:

- illness,
- vacation,
- holidays,
- field trips,
- times the center is open,
- who is authorized to pick up the child or children,
- what extra clothes, if any, will be required,
- activities taking place at the center.

It may be a good idea to develop a **Child Care Contract** that addresses and explains the policies of your center. If you have a contract and parents are willing to enroll

their children in your center, have them sign the contract and provide them with a copy. That way if any problems or emergencies arise, the parents know, up front, what your policies are.

Remember, when you have a good product, **"It Pays to Advertise."**

KNOW THE COMPETITION

A cardinal rule of effective marketing is to know the competition. Assessing the competition and finding a way to beat the competition is the key to success. Many entrepreneurs mistakenly believe that their competition consists solely of firms that offer similar services or products in the same geographical area. However, competition may actually include indirect competitors who are vying for the same clients.

Your estimate of competitors should include all those who offer related services. They may be in the same geographical area or in any other area that is accessible to your clients. To determine the competitiveness of your market, you need to find out:

1. What businesses offer child care service?
2. Who are your major competitors?
   a) direct
   b) indirect, i.e., child care centers accessible to your clientele.
3. How long have your competitors been in business?
4. How will your center benefit the clients more than your competitor's center?
5. Is there a need for additional centers in your area or in an area that is easily accessible?
6. How are the competition's centers similar to, or different from yours?
7. What are your competition's strengths and weaknesses?
8. How is the competition's business doing?
9. How will competitors act when you enter the market?
10. What are the competitors' managerial abilities, financial situations, facilities, reputations?

Financial institutions and investors often place heavy weight on the elements of competition when deciding whether to fund a new business. Whether or not you apply for a loan to finance your center, it is good to know as much as possible about your competitors. Therefore, you should evaluate your ability to compete very carefully. Join the game only if you are confident that you can be successful. If not, you may want to try another field.

SOURCES OF MARKET INFORMATION

There are several sources available for obtaining market information. They include:

1. Market research consultants and advertising firms.
2. Colleges and universities.
3. Research you conduct on your own.
4. Other sources, such as the telephone Yellow Pages or state industrial directories.

MARKET RESEARCH CONSULTANTS AND ADVERTISING FIRMS

Market research consultants are professionals who complete market survey reports. They can also help you develop a marketing plan. Most advertising firms also have a market research department that can help you develop survey questionnaires and analyze and interpret the data. The drawback to using a professional consulting and advertising firm is the cost.

Try to locate a consultant or advertiser who will analyze and interpret the data and help you develop a marketing plan for a nominal fee.

COLLEGES AND UNIVERSITIES

Business schools in local colleges and universities often have professionals and student groups that offer consulting services. They can help you with both the market survey and the marketing plan as well as other problem areas. Student services, however, may only be available during the academic year.

It is important that you approach these services with well defined needs and be prepared to actively participate as the project progresses. Contact local colleges/universities for additional information.

Many colleges and universities are involved with an SBA affiliated program, the **Small Business Institutes (SBIs)**. SBIs provide many services that include market analysis. If you need help analyzing the market and interpreting the data, contact the local SBA office for the location of the SBI program nearest you and for information on the SBI programs.

CONDUCT YOUR OWN RESEARCH

You may choose to conduct your own market analysis. Most market research is time consuming, and the techniques can sometimes be quite sophisticated. If you do not have the time, or the skill, you can still conduct simple research that can yield a tremendous amount of information. This technique is called "focused group interviews."

First, you need to make some logical guesses about your market. Then you assemble a small group of acquaintances, friends or relatives who resemble your typical potential client. Try to get a good mixture of participants that represent a good cross section of the client group you are hoping to service. Describe your center and the type of service you plan to provide. Ask for feedback. Use the information to determine if your idea is feasible and if your center will be accepted. A marketing or advertising specialist will help you accomplish this.

OTHER SOURCES

Your local library is usually a gold mine of information. Many publications such as government reports contain valuable up-to-date information. If you have any questions, the reference librarian is trained to find the information. Do not hesitate to ask for help.

DEVELOPING A MANAGEMENT PLAN

Like the marketing program, your management system will help set the foundation and ultimate plan for your business. Planning and developing a program that adequately manages your center is very important. There are many factors that you must consider, such as 1) finding and hiring qualified staff, 2) how many staff members will be needed, 3) what hours will they work, 4) what will be their responsibilities, and 5) what salaries and fringe benefits will you offer personnel.

Since it is unlikely that you will have all the skills needed to effectively manage your center, you will have to hire staff and personnel to supplement those skills you lack.

Your staff is a reflection of your program philosophy and goals. Its quality and performance are critical to the success of your center. Many factors will influence your decision regarding the best staff to hire for your center. Some of these points have been discussed in earlier sections. They include:

- your own goals and objectives (what you intend to do and how you will go about doing it).
- licensing regulations concerning staff-child ratios and group size.
- needs assessment which assisted you in determining the age group of the children to be cared for and what kinds of experiences parents wish for their children.

Other factors will also influence your decisions. Listed below are five questions that you must answer to adequately staff your center with well-qualified personnel. Each question includes a brief description that will help you make your decision.

1. HOW MANY STAFF WILL YOU NEED?

State licensing regulations establish minimum guidelines for the number of staff you will need depending on the age group of the children you will care for in the center. These reflect the minimum requirements but you may choose to require more.

Research has shown that for 3–5 year olds, small groups of 14–18 children are important to quality. Infants will be in much smaller groups than that, and school-age children may be in slightly larger groups.

In addition to your regular staff (those caring for the children), you will need to make decisions regarding other personnel who, although not working directly with the children, may be necessary to maintain a smooth operating center (i.e., cook if you are preparing food at the center, a secretary, bookkeeper (or combination of both) and a custodian). Substitute staff will be necessary for those days regular staff and volunteers are ill, on vacation, or in training.

The number of staff you need will depend on the number of children you plan to care for, state licensing regulations and the quality of the program you plan to provide. Remember, the more qualified your staff, the better your program will be in meeting the needs of the parents and the children.

2. WHAT HOURS WILL THEY WORK?

When deciding on the number of staff needed, also account for the hours they will work at the center. Most centers are open 10 to 12 hours daily. However, the kind of service you plan to provide will determine how long your center will need to be open.

Know that working with children is emotionally and physically demanding. Staff tend to be less effective after six hours. If you cannot afford eight hour shifts, staff should be given breaks. If you require eight hour shifts, then staff are entitled, by law, to lunch breaks and coffee breaks, usually once in the morning and once in the afternoon.

Developing a staff schedule depends on how many children are present during different times of the day. Children do not all come or leave at the same time. So the number of staff will depend on the number of children present at any one time.

3. WHAT WILL THEIR RESPONSIBILITIES BE?

Determining responsibilities depends on who will do what (description of the job), the authority each person has in line with their responsibilities, who will supervise whom and how it will be determined whether they have met those responsibilities. Job descriptions must be written for all staff members including yourself. Also, determine the minimum employment requirement for each position under consideration, and if you will require a degree or credential experience or special training.

To help you with the above tasks (which is known as developing a job description) contact:

- your licensing agent,
- director of another child care center,
- agencies that assist people in funding work by helping them in determining their skills, i.e., Displaced Homemakers, Urban League, YWCAs;
- child care resource and information referral centers,
- child care associations, and
- references in the bibliography located in Appendix D.

4. WHAT SALARIES AND FRINGE BENEFITS WILL YOU OFFER?

To help ensure that you offer quality care for the children enrolled in your center, you must maintain a consistent, qualified staff. Salaries should reflect a competitive wage level that will attract competent, qualified people. In addition, serious consideration should be given to an attractive fringe benefit program.

SOME FRINGE BENEFITS TO CONSIDER ARE:

- social security (optional for non-profit)
- health insurance
- workmen's compensation (mandatory)
- vacation leave

- sick leave
- personal leave
- paid maternity/paternity leave
- paid staff training to workshops, conferences or providing money for college credits
- retirement plan
- professional days.

The same resources available to help you with job descriptions also will help you make decisions concerning salaries and fringe benefits.

When all the above are accomplished, then further decisions must be made regarding:

PERSONNEL POLICIES

A written personnel policy is your outline of operating procedures for staff. It specifically details what they can expect and what is available to them as employees of your center. Clearly stated, policies help avoid future misunderstandings and misinterpretations.

PERSONNEL POLICIES GENERALLY INCLUDE:
- job descriptions
- salary ranges, from lowest level to highest level for any one position
- benefits
- hiring and termination procedures
- evaluation procedure
- grievance procedure
- sick and vacation leave.

LEGAL ASPECTS

You have to become familiar with many laws when others are working for you.

SOME OF THE LAWS INCLUDE:
- Withholding Tax (Federal Income Tax)—check with IRS.
- State or Municipal Income Tax—ask your bank who to contact.
- Workmen's Compensation—contact State Workmen's Compensation Agency or State Insurance Company.
- Social Security (FICA)—contact local Social Security office.
- Unemployment Insurance—contact State Employment Security Agency.

These laws and regulations constantly change so it is important to keep abreast of them. For more information, contact IRS or a lawyer.

HIRING PROCESS

The final step in preparation for hiring staff is to establish hiring procedures. If you used a parent group in assisting you with your needs assessments, you might want to include them when hiring. They can offer invaluable advice on hiring qualified staff which will satisfy your needs and those of the parents.

SOME STEPS IN HIRING PROCEDURES INCLUDE:
1. Establish criteria for selecting your staff. Work with children involves planning a curriculum which provides activities that will enhance their social, intellectual, emotional and physical development. Major considerations are the personal qualities and the candidate's attitude toward child care, children and parents. Criteria also should be based on qualities and skills necessary to fulfill the job description.
2. Establish a time frame. Remember, you will need to advertise, interview and make selections (some individuals may have to give notice to present employers, so it is wise to begin the hiring process 60 days in advance).
3. Advertise.
4. Review resumes based on your criteria.
5. Telephone those applicants you may wish to hire for an interview. Screen to be sure they meet your criteria.
6. Have candidates fill out application forms.
7. Conduct interviews (if possible, observe candidate with children).
8. Contact references.
9. Review and make your decision.
10. Notify candidates of decision. Even those you do not hire need to know your decision.

5. WHERE DO YOU LOOK FOR STAFF?

You may find the following places helpful as you begin to recruit staff.

	Director	Teachers	Cook	Secretary/ Bookkeeper
College Placement Office.	X	X		X
Vocational High School.	X	X	X	
State Licensing Office.	X	X		
Information & Referral Agency.	X	X		
Local Employment Agency.	X	X	X	X
Advertise in Paper (nearest city paper).	X	X	X	X
Local Business School.				X
Notices in Markets and Laundromats.	X	X	X	X

Each advertisement should include a job title, brief job description, qualifications, deadline for applications, request for resume, telephone number or address and whom to contact.

You will probably notice that staff salaries and fringe benefits consume a major portion of your budget. In addition to some paid staff, many centers use volunteers to meet licensing requirements. Volunteers can offer special activities that centers could not otherwise afford to give children and their families, such as dance or gymnastics.

If you decide to use volunteers, be very specific when they will work. Describe their duties, so they know to whom they are to report, and the person to notify in case of an absence from the center.

Remember, there are risks in using volunteers to maintain your staff-child ratio. If the volunteer does not show up, you could be in violation of state regulations. Volunteers can serve as teachers, teacher-aides, secretaries and bookkeepers. Many volunteers are skilled in story-telling, dance, art and music. Parents of the children may have skills in nursing, accounting, law and many may want to serve as volunteers to work to reduce their tuition fees.

VOLUNTEERS MAY BE FOUND AT:

- colleges and universities (student teachers, students in art, music, athletics).
- Fraternities/Sororities.
- Girl Scouts/Boy Scouts.
- Junior League.
- Foster Grandparent Programs.
- senior citizens groups.
- church organizations.
- Armed Forces bases.
- training programs.

PREPARING YOUR HOME OR AN OUTSIDE LOCATION FOR YOUR CENTER

Before you start caring for children, it is wise to transform your center (i.e., your home or location outside your home) into a place that is safe, clean, comfortable and inviting. The appearance of your center can help to draw families because parents prefer clean, safe, appealing centers.

There are a number of measures that you can take to make your center inviting. An explanation of each is described below.

SAFETY

You want to feel confident that all areas the children will use—indoors and out—are safe. To check, you might want to crawl around on your hands and knees asking, "What could a child possibly get into here? How may I possibly hurt myself? What other problems could be caused here"? Make sure:

- all items children should not use are safely locked away or on high, inaccessible shelves.
- precious breakables are put away.
- poisonous plants are out of reach.
- stairs are well-lighted and secure under foot.
- chemicals, medicines and other dangerous items are stored behind safety locks.
- toys are stored on shelves to avoid injury from falling lids on toyboxes.

All play materials, furniture, shelving, outdoor equipment—everything that the children come into contact with—should be checked every few days for loose parts or any safety hazard. Broken toys and missing pieces discourage play and should be fixed, put away or discarded. A doll with a missing limb could be tenderly cared for, and perhaps bandaged or fitted with a pretend artificial limb during hospital play. If beyond repair, some broken equipment can be dissected by the children to see what is inside before it is thrown away. But be extremely careful if you allow the children to dissect these parts!

Sometimes parents are willing to build and repair equipment to keep costs down. Or, a parent can be given a discounted fee for helping with these tasks. Occasionally one or more parents may be willing to build shelves, a backyard climber or a child-sized picnic table.

While garage sales are often a source of first-rate toys and equipment at bargain prices, older model cribs and other items may not meet current safety standards.

EQUIPMENT AND MATERIALS

The equipment and materials you will need depends on the ages of the children you care for. Here is a list of ideal equipment and materials for a child care center serving a wide age range of children:

- child-sized tables and chairs, booster seats, high chairs and infant seats. Tables can be used for eating and for a variety of children's activities.
- individual cribs, beds, cots, with protective mattress pads covered with plastic that can be stored under the beds. Blankets and sheets for each child. If you use your family's beds, lay the child's bedding on top of the made-up bed.
- diapering area (preferably near a faucet) that can be easily sanitized after each use. Nearby childproof, sanitary storage for used diapers. Step stools for sink and toilet.
- space—to crawl, toddle, run, climb and to be alone but in view.
- outdoor play space (sand, hard surface for wheeled toys, swings, climber, garden) or a nearby park. A covered porch or carport is ideal for rainy days.
- art materials, such as meat trays, egg cartons, computer paper; washable surfaces for messy activities.
- water and sand to scoop and pour in plastic dish pans or a larger trough or water table; old throw rugs or other absorbent floor covering.
- large and small, simple and complicated toys, including building materials such as wooden and plastic blocks.
- good children's books and a quiet, cuddly place to read them. Paperback books can be covered with clean adhesive plastic to protect and strengthen them.
- games, puzzles, dolls, vehicles—child powered rather than battery-powered.
- make-believe props, clothes and costumes for dressing up and pretending.
- record player, tape recorder and radio; number, alphabet and color charts or cards; canister for colors, pencils and other miscellaneous art materials.
- a fabric carrier for a young baby, and a backpack carrier for babies who can sit up. Many babies love swings and bouncer chairs.

- for older children, a private place with props and equipment that children can rearrange as they choose. School-age children will also need a place to keep their things from school and perhaps a place to do their homework.

For suggestions on specific toys as tools for learning for different age groups, call the National Association for the Education of Young Children **(NAEYC)** at **(202) 232–8777 or 800–424–2460** or write to **NAEYC, 1834 Connecticut Avenue, N.W., Washington, DC 20009–5786.**

SETTING UP

Your center should be arranged so children can play happily with each other and by themselves, participate in a structured curriculum (if provided) and experience their growing independence—hanging up their own coats, putting dishes in the dishwasher or putting away art materials. You will supervise and oftentimes join in their activities, or suggest ways to extend (lengthen) them or make them more interesting. Allow the children to suggest ways to make learning and playing fun and safe. Children are usually very creative and can think of things to do to make their activities fun and exciting. While you will always closely supervise their activities, you can't be with all the children every minute. If there are interesting things for children of different ages to do, you will be able to feed a baby or prepare lunch knowing that the children are safe, busy and happy.

If you provide structured activities for the older children, have your center arranged so the younger children can play quietly without interrupting the sessions, and you can monitor their activities.

Your job will be easier if you arrange your center to simplify everyday routines. Some problems can be prevented by having selected things where the children can reach them (help themselves to toys, children's spare clothes and water cups), and others where they can't (house plants, TV, crayons, children's projects). If children can take care of some of their own needs, it makes them feel independent and competent and frees you to do other things. Encourage the older children to help the younger children with simple tasks like tying shoes, buttoning or zipping their coats; it reinforces their independence, sharpens their skills and fosters friendship and learning among peers.

You do not need to spend a lot of money on toys and equipment if you set up your center creatively. Your warmth and enthusiasm will be your best asset.

STORAGE

Adequate storage is especially important for child care providers with limited space. Well-designed storage helps reduce clutter and increases play space. Boards and cement blocks make sturdy, inexpensive shelves for preschool and older children. Heavy cardboard cartons and wooden crates from grocery stores can also be used to build storage units. For infants and toddlers, make sure shelves are stable enough that children won't tip them over when they use the furniture to pull themselves up to stand or walk.

It is a good idea to rotate toys and materials. Put away items the children are tired of for a few weeks. Bring them out later, and children will enjoy rediscovering them. You may want to assemble theme boxes containing all the materials you need for a specific activity, learning alphabets, numbers and colors, playing store or going on a nature walk.

Every child should have a special personal storage area, even if it is only a shoe box or an ice cream tub. Label it with the child's name and a special symbol. Each child's special area should be off-limits to the other children. This gives the child a feeling of belonging, and a security in knowing special things can be kept safely.

As a business person, you will need office space. An efficient way to store your administrative and financial records will save you precious time. With start-up costs, you may not have the money to purchase a file cabinet or desk when you open your center. There are, however, ways to store your business records until you can purchase a desk and file cabinet, if you don't already have one. For example, drawers and cabinet space that you usually keep junk in can be transformed into a file cabinet where you can keep the children's emergency cards, expense receipts and business papers. Empty shelves can also be used for storing business records.

It is a good idea to locate a secure place to keep your business records because these records will be used to file your federal and state taxes at the end of the year. If you misplace or lose a portion of your records, filing accurate taxes will be virtually impossible.

PLANNING AND STRUCTURING YOUR PROGRAM

How you structure the program for your center is another very important aspect to consider. Many child-care centers, especially those set up in the home have no real program—the children "just play" all day. The same toys are always available but never presented in any way. Planning is essential to avoid boredom and to increase learning opportunities.

Your program—what you and the children do day-by-day—will be the key to your professional success and pleasure. If children are bored, not only are they missing developmental opportunities, but also they have more discipline problems and are more difficult to get along with. All will be happier if you have interesting activities that you look forward to daily.

PLANNING AND SCHEDULING

Some providers like to follow a daily schedule, doing the same activities at approximately the same time every day. Others like to be more spontaneous, responding to everyone's moods and the opportunities that come along. If you like tight schedules, you may need to be more flexible because young children are spontaneous; they have their best moments without any warning.

A good provider observes the children for activity ideas. Sometimes these activities require planning, sometimes they don't. Put your planning energy into setting up a rich environment—set the stage for children to come up with their own ideas. Everyday living will provide many of the activities. Learning to put on a jacket, spreading peanut butter on a cracker, playing peek-a-boo with a baby—these are important activities of life for young children. Ideally you should have a variety of activities on hand. Keep a list of possibilities to choose from when something is needed.

Watch the children's natural tendencies to help you plan an effective sequence for the day. If they are creative during the morning, that is a good time for learning (i.e., alphabets, numbers, art activities). If they tend to get rowdy after a snack, that is the time to go outside. If they are sleepy and cuddly after waking from their naps, reading stories might be a successful activity. If school-aged children resist structured activities when they arrive, they should be allowed free-play time.

You will need to adjust your routines as new children bring different needs and personalities to the group. Each group of children is different. You can plan activities, but make sure you flow with children's natural tendencies rather than oppose them.

A good policy for planning is to alternate:

- active and quiet times
- structured and unstructured activities
- together times and private times.

Be sure to inform parents what has happened during the day. If you follow a schedule, post it on a bulletin board, or include it in your parents' handbook. If you don't follow a schedule, you can list the various activities you have done. Parents are usually eager to find out what their children do during the day. Sharing what you do builds communication and helps parents recognize your efforts and respect your perceptions.

ACTIVITIES

Your choice of activities will be influenced by the developmental levels of the children in your center. The idea behind the concept that children learn and play in different ways depends on:

- their experience and interest,
- their ages, and
- their special needs.

For example, one 2-year old might climb better than another 4-year old, or a younger child who has played

with a material frequently will use it in more complex ways than an older child who has not had any experience with that material.

Provide many chances for children to make **real** choices and explore ideas or objects on their own. Young children learn by handling real-life materials. Allow enough time for each activity, so children don't feel pressured, but have time to see each activity to completion.

Help children do what they are interested in, and offer materials and assistance in a way that helps them learn to help themselves. Your biggest task is to encourage children, to give them a sense of self-respect and accomplishment. They need room to try out and use their abilities. You can support them by encouraging their efforts (rather than praising their results) and providing them the opportunity and materials they need to develop in the ways they choose.

A good child-care provider watches individual children for signs of what activities appeal to them. Your challenge is to help all of them grow; to learn about themselves, others and the world; and to feel good about what they can do and who they are in this world. Curious confident children will continue to be eager learners and cooperative children.

PRESENTING ACTIVITIES

Present learning activities and toys in a way to stimulate the children's interest and play activities. Children need structured and unstructured time for learning and experimenting activities. How you present an activity will vary by the children's development levels and the mood of the moment. Suppose you want to set up an art activity with discarded magazines, scissors, paste and paper. Older children may be able to select the pictures they want to use, cut them out and paste them on their paper without any help. You may be needed only to set up the materials. A younger child may need a lot of help learning how to use scissors and, in fact, the cutting may turn out to be the whole activity.

An example of both structured and unstructured activities for preschool-age children developed by the Sha-Za Early Learning Center* consist of the following:

- Gather children into a group for roll call.
- Sing a good morning song together. Discuss the weather (cold, hot, warm, raining).

ACTIVITY: HAND COORDINATION

** Breakup into individual groups according to age
  Group A—age 2
  Group B—age 3
  —distribute paper to both groups
  —distribute water paint to groups A&B
  A=finger paint B=paint using brushes
- Practice nursery rhymes using hand instruments
- Snack
- Introduce the numbers 1–5 and the letters A–C to class. Practice as a group and individually.

ACTIVITY: HAND COORDINATION AND MOTOR SKILLS

- Introduce buttoning, tying and zipping up clothes.
- Lunch—free time
- Nap
- Gather for story time
- Snack
- Free time

Depending on the ages of the children, you may want to do an activity all together, with a small group or individually. Let the children know you value all of their work. Avoid activities to impress parents. As a professional, you will want to keep your program child-centered at all times. Explain to parents why it is important for children to invest themselves in their work. Watch how proud and confident children are when they say, "I did it myself!"

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* Inclusion of the activity developed by the Sha-Za Early Learning Center does not imply SBA's endorsement of the center's program. It is merely presented as a model.

** Groups A and B=Hand painting, Construction blocks and Kitchen duties.

CURRICULUM

Education plays an integral role in the growth and development of all nations. It is important that quality educational programs are provided for our children from preschool through high school. To meet this challenge, many states as a condition for certification or registration require that child-care providers develop and offer structured educational curriculums to the children. Even if your state does not require this stipulation, it is a good idea to develop an adequate educational program for your center. By doing so, parents will view you as being a caring professional dedicated to the total growth and development of their children. As a result, you will likely attract more families with preschool and school-age children because education is important, and it plays a vital role in the development of our children.

Because you may not have the expertise to develop an educational program for your center, contact an Early Childhood Educational Specialist at a local college or university to help you develop an appropriate curriculum. You also may consider contacting the National Association for the Education of Young Children and request their assistance in developing a curriculum for your center. However, many child-care to provide and the age groups you are planning to serve. Use their recommendations and suggestions in developing a curriculum that will meet your needs, the parents' needs and promote the intellectual, social, emotional and physical development of the children.

SELECTING AND DEVELOPING THE RIGHT CURRICULUM FOR YOUR CENTER

There are several concepts you can use in developing a curriculum for your center. However, many child care professionals recommend that you use the **Developmentally Appropriate Practices** or the **Montessori Method.** These curriculums are designed to aid a child's intellectual, social, emotional and physical development.

To give you an idea of what should be included in the curriculum for your center, a sample is provided.

COURSE CURRICULUM

Your course curriculum should identify the educational goals of your program. These goals should address the following educational skills and may include such activities as:

EDUCATIONAL SKILLS	ACTIVITIES
Pre-Reading	• Learn names of objects and how to categorize them (e.g., food, animals, clothing, toys, furniture) • Learn parts of objects (e.g., a pencil has a point, lead, shaft, eraser) • Learn opposites (big-little, fat-skinny, hard-soft, hot-cold)
Reading	• Learn to recognize labels on objects • Recognize community signs (e.g., stop signs, McDonalds, Safeway) • Use language experience stories, dictated stories and teacher-made materials
Handwriting	• Learn to write name, date and numerals • Learn to write upper/lower case manuscript letters • Write dictation of words and simple sentences
Math	• learn sequences (before and after) • exploring with unit blocks • counting using familiar objects • use blocks to learn sets, likeness, differences and intersection of sets • learn to make things equal • learn calendar and clock skills
Science	• learn about precipitation (rain, snow, sleet, hail) • learn about lightning and thunder • learn about water (solids, liquids, gases)

	• learn about air (evaporation, movement) • learn to name and identify the seasons
Social Studies	• learn one's own name, names of other children, teachers and staff • learn members of immediate family • learn members of extended family
Art	• use different media—clay, easel paint, finger paint, crayon • visits to museums • conversing and working with artists in the community
Music	• learn and sing different songs • learn to play and listen to records • name and identify instruments classes • participate in rhythm/body movements • listen to/identify musical styles (classical, jazz, pop, rhythm and blues)

Other important skills your center should focus on are:

Perception Motor Skills
Dramatic Play
Self-help Skills
Health and Safety Procedures, Services for the Handicapped, Social Services and Eligibility Determination.

NUTRITION

You should specify to parents the kinds of meals and snacks you plan to provide for the children. It may be a good idea to post weekly or daily menus outlining the kinds of food to be served and the time of each meal or snack. Inform them of anything special in your nutrition program—tell them if you serve real fruit juices, or do not serve sweets. Most parents will be thrilled to find a caregiver who is so concerned about children's nutrition.

Sometimes parents request special nutritional considerations for their child, such as no sugar or no milk products. Decide what will work best for you. Perhaps the parents will need to supply special meals if you cannot accommodate the request (for example, a vegetarian diet).

If you are licensed or registered, you are eligible for a substantial reimbursement for your child care food expenses. For more information on the *Child Care Food Program (CCFP)*, write the U.S. Department of Agriculture, Washington, D.C. 20250.

PARENT INVOLVEMENT

Children's development depends not only on you as the caregiver, but also on the parents' involvement. Children feel more secure and develop into confident, well-rounded individuals when they know their loved-ones support them. Get the parents involved in the children's educational and recreational activities. For instance, plan a field trip to a local museum, and if possible, get some parents to agree to go on the trip with you, the staff and the children. The children will be thrilled knowing that their parents are going with them. Since it isn't possible for each child's parent(s) to attend every activity, try to get parents to schedule the activity they can attend.

Arrange conferences with parents to discuss the child's progress. Provide them with a summary of the skills that you plan to cover and brief reports of the child's progress. Parents will be delighted knowing that you are as concerned and committed to the total development of their children as they are.

TRAINING

Providers often begin with no training other than that of being a parent or a baby-sitter. But most providers find that caring for a group of children presents more challenges than their experience has prepared them to meet. You may find that training in early childhood education and child development are very useful to your work. It is surprising how much can be learned about positive ways to discipline or guide children, or types of activities for different developmental levels.

Research has shown that provider training is related to the quality of child care. Trained providers are more in demand by parents, who are becoming increasingly sophisticated about selecting care for their children. Where can you go to get more training in your profession?

Academic courses and preparation for state teacher certification are offered by many 2- and 4-year colleges and universities. Training series or individual workshops may be offered by resource and referral agencies, **NAEYC Affiliate Groups**, adult education programs or school districts.

Whether or not you have a college degree or a high school diploma, you are required to have a minimum of 15 hours of training in early childhood education to qualify for certification or licensing. For additional information on these requirements, contact your state or local Child Care Licensing Office.

THE CHILD DEVELOPMENT ASSOCIATE PROGRAM

The Child Development Associate (CDA) Program is one form of training available to child care providers. The **Child Development Associate Program** offers a national credential based on performance with children and families. By participating in this process, you can learn more about your work and be recognized for your skills. The competency standards for the credential can help you identify your strengths and weaknesses, even if you do not apply for the program. For more information about this voluntary program, or a copy of the book containing all the competencies identified for family childcare providers, call the *Council for Early Childhood Professional Recognition at (202) 265–9090 or 800–424–4310.*

OTHER DEGREE PROGRAMS IN EARLY CHILDHOOD EDUCATION

Many 2- and 4-year colleges and many universities offer degrees in Early Childhood Education. Although you may not have training in this career field, if you are planning on making this your life-time vocation eventually, you may want to consider getting a degree.

There is no doubt that the quality of a child's education depends not only on the parents' involvement but also on the education of the teacher and child care provider. Quality education stems from well-educated, dedicated teachers at the preschool level and continues through high school and college. To ensure that the quality of our children's education is not compromised, hire qualified, well-trained staff for your center.

To give you an idea of what to look for when selecting teachers for your center, sample curriculums for the Associate's, Bachelor's and Master's programs are included in **Appendix C.**

The following degrees are offered in early Childhood Education:

1. **Associate in Arts in Child Development and Nursery School Education—2 year degree**

   Total hours required for graduation: 72 hours

2. **Bachelor of Arts in Early Childhood Education—4 year degree**

   Total hours required for graduation: 125 hours

3. **Master of Arts in Early Childhood Education—Graduate Degree**

   Total hours required for graduation depends on the degree requirements.

4. **Ph.D. in Early Childhood Education***

   Total hours required for graduation depends on the degree requirements

Remember the criteria for graduation depends on the requirements set by the individual institutions. For information specific to the degree program you are interested in, contact the Admissions Office of the college or university nearest you.

*Some universities offer a Ph.D. (doctorate) degree in Early Childood Education.

APPENDIXES

A BUSINESS PLAN OUTLINE FOR CHILD-CARE CENTERS 45

B SAMPLE SURVEY QUESTIONNAIRE FOR PARENTS 55

C CURRICULUM AND INSTRUCTION EARLY CHILDHOOD EDUCATION 57

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APPENDIX A

BUSINESS PLAN OUTLINE FOR CHILD-CARE CENTERS

Cover Sheet: Name, Address and Phone Number of Business,
Names of Principals

STATEMENT OF PURPOSE:

Table of Contents

I. The Business

A. Description of the Business
B. Location of Business
C. Competition and Feasibility Study
D. Operating Procedures and Policies
E. Personnel
F. Business Insurance
G. Financial Data

II. Financial Data

A. Fundraising report and/or application for loan
B. Capital Equipment and Supply List
C. Balance Sheet
D. Breakeven Analysis
E. Pro-Forma Income Projections (Profit & Loss Statement)
—Three-year summary
—Detail by month, first year
—Detail by quarter, second and third years
—Assumptions upon which projections were based
F. Pro-Forma Cash Flow
— Follow guidelines for letter E.

Supporting Documents

— Tax returns of principals for last three years
— Personal Financial Statement (all banks have these forms)
— Copy of proposed lease agreement
— Copy of contractors' renovation estimates
— Copy of licenses or other legal documents
— Copies of Resumes of all Principals
— Copies of reference letters and/or letters of intent: suppliers, etc.
— Copy of curriculum

I. THE BUSINESS

A. DESCRIPTION OF THE BUSINESS

GENERALLY EXPLAIN:

1. What types of child-care services will be offered;
2. What your curriculum is (or will be);
3. What market you intend to service, the size of the market, and your expected share of that market;
4. Why can you service that market better than your competition;
5. Why you have chosen your particular location;
6. What management and other personnel are required and available for the operations; and
7. Why your investment or someone else's money (debt/equity) will make your business profitable.

ANSWER THE FOLLOWING QUESTIONS FOR EACH SECTION LISTED:

1. Status of child-care start-up, expansion of a going concern, or take-over of an existing child-care center?
2. Business form: sole proprietorship, partnership, corporation?
3. Who are the customers?
4. Why is your child-care center going to be profitable?
5. When will or did your center open?
6. What hours of the day and days of the week will you be or are you in operation?

FOR A NEW CHILD-CARE CENTER

7. Why will you be successful in the child-care business?
8. What is your experience in the child-care business?
9. Have you spoken with other people in the business about their experiences, challenges and rewards? What was their response?
10. What will be special about your center?
11. Have you spoken with prospective trade suppliers (i.e., educational materials, toys, food distributors) to find out what managerial and/or technical help they will provide?
12. Have you asked about trade credit?
13. If you will be doing any contract work, what are the terms of the agreements? (Reference any firm contract and include it as supporting document).
14. Do you have letters of intent for prospective suppliers or purchases?

B. LOCATION OF BUSINESS

QUESTIONS

1. What are the attributes or salient features of your business location?
2. Will you buy or lease the space?
3. What is the cost of the space? Is it competitive with comparable space in the general area?
4. What are the advantages and disadvantages of the site in reference to wage rates, labor unions and labor availability?
5. How much space do you need?
6. What is the building's proximity to clients or suppliers?
7. What is the building's access to public transportation and parking?
8. What are the state and local taxes, state and local laws, utilities and zoning variables that may affect the location of your center?

9. Does the community around which you intend to locate the center show enthusiasm for you and your business?

C. COMPETITION AND FEASIBILITY STUDY

QUESTIONS:

1. Who are your five nearest competitors? List them by name.
2. How will your center be better than theirs?
3. How is their business: steady? increasing? decreasing?
4. How are their operations similar *and* dissimilar to yours?
5. What are their strengths and weaknesses?
6. What have you learned from watching their operations?
7. How much do your competitors charge for their services?
8. How do your competitors' services and fees compare to yours?

D. OPERATING PROCEDURES AND POLICIES

1. What is or will be the payment policy?
2. How are rates determined?
3. How will legal matters be addressed?
4. How will volunteer assistance be managed?
5. What will the parent's handbook contain (if developed) regarding the center's rules and regulations?
6. What are the procedures for handling emergencies?

E. PERSONNEL

QUESTIONS:

1. What are your personnel needs now? In the near future? In five years?
2. What skills must they have?
3. Are the people you need available?
4. Will your employees be full- or part-time?
5. Will you pay salaries or hourly wages or both?
6. Will you provide fringe benefits? If so, what? Have you calculated the cost of these fringe benefits?
7. Will employees be required to work overtime occasionally?
8. Will you have to train people? If so, at what cost to the business?

F. BUSINESS INSURANCE

1. State the amount of your insurance policy and give a brief summary of what is covered:
    a) Property
    b) Personal Injury
    c) Key Person
2. You may also want to state that the policy is available for inspection upon request.

II. FINANCIAL DATA

G. CAPITAL EQUIPMENT AND SUPPLY LIST

MAJOR EQUIPMENT AND ACCESSORIES	MODEL	COST OR LIST PRICE
		$
	TOTAL:	$

MINOR EQUIPMENT		
		$
	TOTAL:	$

OTHER EQUIPMENT AND SUPPLIES		
		$
	TOTAL:	$
	TOTAL:	$

FINANCIAL DATA

D. BREAKEVEN ANALYSIS

SALES: $_____

COST OF GOODS SOLD: $_____

GROSS PROFIT: $_____

FIXED EXPENSES: $_____

NET PROFIT (Loss): $_____

STEP 1: Divide Gross Profit by Sales to show precentage relationship

$$\frac{\text{GROSS PROFIT}}{\text{SALES}} = \textbf{GROSS PROFIT AS \% OF SALES}$$

STEP 2: Divide Fixed Expenses by Gross Profit as % of Sales expressed as a decimal (Gross Profit %—100).

$$\frac{\text{FIXED EXPENSES}}{\text{GROSS PROFIT}} = \textbf{BREAKEVEN}$$

PRO–FORMA CASH FLOW

FIRST YEAR, BY MONTH

19———

MONTH	1	2	3	4	5	6	7	8	9	10	11	12
CASH RECEIPTS												
SALES (cash)												
Retail												
Wholesale												
Accounts Receivable												
TOTAL RECEIPTS												
CASH DISBURSEMENTS:												
Merchandise inventories												
Salaries, Wages												
Commissions												
Payroll Taxes												
Advertising & Promotion												
Car & Delivery												
Gen. Office Admin.												
Operating Supplies												
Bad Debts												
Rent												
Repairs & Maintenance												
Utilities												
Insurance												
Taxes & Licenses												
Loan Payment (Principal & Interest)												
Miscellaneous												
TOTAL CASH DISBURSEMENTS												
NET CASH FLOW												
CUMULATIVE CASH FLOW												

APPENDIX B

SAMPLE SURVEY QUESTIONNAIRE FOR PARENTS

I am considering the possibility of opening a child-care center. I want to be able to provide care that best meets the needs of you and your children.

Please answer the following questions:

1. How many of your children need day care?
2. What are their ages?
3. Which is more convenient for you,
   a. a center near your workplace_____ (address) or
   b. a center near your home_____ (address)?
   c. Other location_____
4. What hours and days will you need care?
5. How much are you willing to pay a week for care?
6. Will transportation need to be provided?
7. Are you willing to pay extra for transportation?
8. What experience and activities do you wish your children to have at the center?

OPTIONAL

Name_____

Address_____

Telephone_____

APPENDIX C

Curriculum and Instruction

Early Childhood Education

The Department of Curriculum and Instruction offers undergraduate programs in Early Childhood Education, Elementary Education, Reading, Industrial Arts Education and Vocational Education. The undergraduate program in Early Childhood Education is designed to prepare students for careers as teachers and professional service personnel in the schools of the District of Columbia and to work as directors, teachers or staff members in child care centers. Students are also prepared for further study at an advanced level.

Associate in Arts in Child Development and Nursery School Education

Total Hours required for Graduation: 72

Required Courses:

Core Courses			(8)
0335	105	Family Life Science and Career Orientation	(2)
0327	205	Principles of Child Development	(3)
0333	204	Introduction to the Study of Foods	(3)
		Concentration:	(30)
0327	215	Developing Social Behavior in Young Children	(3)
0327	224	Planning the Day Care and Nursery School Facility	(3)
0327	304	Nursery School and Parent Education	(3)
0327	306	Advanced Child Development	(3)
0327	325	Administration and Supervision of Nursery School Facility	(3)
0331	224	Family Health and Home Safety	(3)
0331	345	The Child in Family	(3)
0331	318	Child Health and Nutrition	(3)
0335	615	Consumer Education	(3)
0319	211	Child Study	(3)
0319	206	Infant Education	(3)
0319	304	Play Activities	(3)
0351	305	Children's Literature	(3)
0345	104	Introduction to Media, Computerized Methods and Techniques	(3)
0207	104	Introduction to Business	(3)
Elective in Child Development			(3)

Bachelor of Arts in Early Childhood Education

Total Hours Required for Graduation: 125

Required Courses

0319	104	Early Childhood in Perspective	(3)
0319	204	Young Child Growth and Development	(3)
0319	206	Infant Education	(3)
0319	211	Child Study	(3)
0319	301	Curriculum Content for Early Childhood Education I	(3)
0319	302	Curriculum Content for Early Childhood Education II	(3)
0319	304	Play Activities and Materials	(3)
0319	307	Home-School Discipline for Young Children	(3)
0319	311	Methods and Materials for Early Childhood I	(3)
0319	312	Methods and Materials for Early Childhood II	(3)
0319	314	Teacher, Child, School and Community Interactions	(3)
		in Early Childhood Education	(3)
0319	405	The Role of the Teacher in Early Childhood Education	(3)
0319	406	Student Teaching and Seminar in Early Childhood Education	(12)
0319	408	The Young Child in a Multicultural Society	(3)
0217	203	Data Processing Algorithms	(3)
0351	314	The Teaching of Reading in the Elementary School	(3)
0353	304	Survey of Exceptional Children	(3)
0535	393	Theory and Applications of Mathematics	(3)

Recommended Electives

0319	307	Home-School Discipline for Young Children	(3)
0319	404	Philosophy of Education of the Young Child	(3)
0319	407	Understanding Self and Relations	(3)
0319	414	Cognitive Skills and the Preschool Child	(3)
0323	475	Measurement and Evaluation in Teaching and Learning	(3)
0345	487	Multi-Media Workshop	(3)
0351	305	Children's Literature	(3)

Department of Curriculum and Instruction College and Education and Human Ecology University of the District of Columbia (UDC)

The Master of Arts degree in Early Childhood Education will prepare you for a career as a master teacher, specialist or administrator in programs for young children in private and public education settings.

Master of Arts in Early Childhood Education

Total Hours required for Graduation: 33

Core Courses:

Child Development Theories in Early Childhood Education

Assessing the Development of the Young Child

Current Problems and Issues in Early Childhood Education

Research Courses:

Research Techniques in Early Childhood Education
Thesis

Specialization Courses

*Language Development in Early Childhood Education

*Curricula for Mathematics and Science in Early Childhood Education

**Curricula for Activities (Art, Drama, Music, Movement and Literature)

**Play as an Integral Curricula Component (Play Activities, Social Studies, Physical Education, Health and Safety)

*Strategies for Teaching Young Children

**Practicum Experiences in Early Childhood Education

*Required for all students

**Required of students without undergraduate training in early childhood education.

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*All curriculums were provided by UDC's Early Childhood Education Department. Their inclusion does not imply SBA's endorsement of the university's educational programs. They are merely provided as guidelines for skills to look for when hiring teachers for your center.

APPENDIX D

BIBLIOGRAPHY

Family day care

Administration for Children, Youth and Families. (1981). *Family day care in the United States* (Seven Volumes) (DHHS Publication Nos. OHDS) 80–30282 through 80–30287]. Washington, DC: U.S. Department of Health and Human Services. Free

Report of the most comprehensive research study on home child care in the United States. The Executive Summary and Summary of Findings are of particular interest.

California Child Care Resource and Referral Network. (1986). *Family day care handbook.* California Child Care Initiative, 809 Lincoln Way, San Francisco, CA 94122. $30 plus postage

A compilation of articles from family day care trainers across the country, exploring many relevant topics.

Child Development Associate National Credentialing Program. (1985). *Child Development Associate assessment system and competency standards:* Family day care providers. 1718 Connecticut Ave., N.W., Washington, DC 20009.

The Children's Foundation. (1988). *Fact sheet on the Child Care Food Program in family day care homes.* 815 15th St., N.W., #928, Washington, DC 20005, $1.00

Pamphlet explains the guidelines for this important source of income and nutrition information for providers.

The Children's Foundation. (1985). *Family day care—Implications for the Black community.* 815 15th St., N.W., #928, Washington, DC 20005. $1.50

Overview of issues and problems confronting Black providers.

The Children's Foundation. (1936). *National directory of Family Day Care Associations and Support Groups.* 815 15th St. N.W., #928, Washington DC 20005. $5

Partial list of home-based child care associations by state. Includes section on beginning an association.

Toys 'n Things Press. (1988). Family day care education series information packet. 906 N. Dale St., St. Paul, MN 55104.

Frank Porter Graham Child Development Center. (1981). *Family day care education series information packets.* University of North Carolina at Chapel Hill. Packets are $1.25 each, or $21.95 for all 13

Each Packet contains information, activities for children and caregivers, handouts for parents, free and inexpensive resources, and a year's guide. Titles are: *Family Day Care and You: Day Care as a Small Business; Care for the School-Age Child; Special Things for Special Kids; Planning an Activity Program: Health and Safety, Space to Play and Learn; Community Help for Caregivers: One Land: Many Cultures: Working With Parents; Good Food for Kids: Growth and Development; Handling Behavior Problems.* Trainers manual and independent study course are also available.

Garcia Ronda. (1985). *Home centered care. Designing a family day care program.* The Children's Council of San Francisco, 3896 24th St., San Francisco, CA 94114.

A provider presents practical information on setting up your home for infants, toddlers, preschoolers, and school-age children.

Nash, Maggie & Tate, Costella. (1986). *Better baby care: A book for family day care providers.* The Children's Foundation, 815 15th St., N.W., #928, Washington, DC 20005. $12.95

How babies grow, how they relate to others, how they think. Common behaviors, nutrition, health, and safety. Section on how to prepare your house, room by room.

Rodriguez, Dorothy & Albert, Marilyn. (1981). Self-evaluation for family day caregivers. *Child Welfare, 60* (4), 263–267.

A self-assessment form that allows trainers to identify providers' needs, design individualized assistance, and plan workshops. One of the resources for the self-evaluation in this handbook.

Toys 'n Things Press (1986). *Basic guide to record keeping and taxes.* 906 N. Dale St., St. Paul MN 55103. $5, annual update $2

Clear-by-step instructions for keeping business income and expense records, and for completing federal income tax forms for self-employed persons. Some duplication of material in the *Calendarkeeper.*

Modigliani, Kathy; Marianne Reiff, and Sylvia Jones. *Opening Your Door to Children: How to Start a Family Day Care Program.* National Association for the Education of Young Children, 1834 Connecticut Avenue, N.W., Washington, DC #20009; (202) 232–8777 or 800–424–2460.

Johnson, Dewey E. Ph.D., et al., *How to Start a Business in Fresno County.* School of Business and Administrative Sciences, California State University, Fresno, CA. 1987.

Copeland, Tom. *Basic Guide to Family Day Care Record Keeping.* St. Paul, MN; Toys 'n Things Press, 1988.

Toys 'n Things Press. Calendar-keeper (Updated yearly), 906 N. Dale St., St. Paul, MN 55103. Small (for groups of about 6 children) $7.50, large (for groups of about 12 children) $12.95

A favorite resource of many providers, and especially helpful for new providers just learning about the business aspects of home-based child care. Easy-to-use recordkeeping system. Space for monthly attendance records, income and expense records, and a tax worksheet. Monthly activity suggestions.

Toys 'n Thing Press. (1983), *Sharing in the caring: Family day care parent-provider agreement packet. 906 N. Dale St., St. Paul, MN 55103. Sample $3.50; 5 packets $6.95; 11 packets $11.50*

Hints on establishing a good business relationship, a brochure for parents, a sample contract to be completed by provider and parents.

General child care

Benson, Carolyn & Stenzel, Cathy. [Eds.]. (1985). *Who cares for kids?* A report on child care providers. National Commission on Working Women, 1325 G St., N.W., Lower Level, Washington, DC 20005.

Comprehensive statistics and information about child care workers, including a section on home-based child care providers.

Blank, Helen & Wilkins, Amy. (1986). *State child care fact book 1986.* The Children's Defense Fund, 122 C St., N.W., Washington, DC 20001.

Fact sheets summarizing child care public policy in each state, including programs and funding levels (information available varies by state).

California Child Care Resource and Referral Network. (1987). *National directory of child care information and referral agencies.* 809 Lincoln Way, San Francisco, CA 94122. $5.

Comprehensive list of child care referral agencies. Gives basic information including brief summaries of services offered.

Maryland Committee for Children, Public Policy Committee. (1984). *Care of infants in groups.* The Chocolate Factory, 608 Water St., Baltimore, MD 21202.

Summary of research and discussion of implications for child care, recommendations, child development from birth through 5 years.

Rutter, Michael. (1981, January). Social-emotional consequences of day care for preschool children, *American Journal of Orthopsychiatry.* 4–28.

Inclusion of the bibliography does not imply SBA's endorsement of these publications.

APPENDIX E

NATIONAL ORGANIZATIONS

Child Care Action Campaign
99 Hudson St., #1233
New York, NY 10013
212–334–9595
A coalition of leaders from diverse organizations advocating for high quality child care. Activities include education, information service, proposing possible solutions, and technical assistance to governmental offices. Publishes bimonthly newsletter. Individual membership $20.

The Child Care Employee Project
P.O. Box 5603
Berkeley, CA 94705
415–653–9889
A clearinghouse on child care employee issues including salaries, status, and working conditions. Publications on such topics as comparable worth/job discrimination, personnel policies. Newsletter, $5 by subscription.

The Child Care Food Program (CCFP)
U.S. Department of Agriculture
Washington, DC 20250
Sponsors nutrition education and reimburses partial food costs to family day care and center child care programs—a specific amount for each child per meal or snack. If your state licenses programs, contact your local licensing office to find sponsors for your area. Otherwise, contact your state department of agriculture or education.

The Child Care Law Center
22 Second St., 5th Floor
San Francisco, CA 94105
415–495–5498
Call or write for a listing of their publications.

The Children's Defense Fund
122 C St., N.W., Suite 400
Washington, DC 20001
202–628–8787
800–424–9602
Education about and advocacy for the needs of children, especially low-income, minority, and handicapped children. Publications include a monthly newsletter on federal legislation and an annual analysis of the federal budget. Call for free publications catalog.

The Children's Foundation
815 15th St., N.W., #928
Washington, DC 20005
202–347–3300
Information and materials on home-based child care issues. Publishes the *Family Day Care Bulletin* and *Directory of Family Day Care Associations*. Sponsors the National Family Child Care Advocacy Project and a resource clearinghouse. Sample newsletter and publications list available upon request.

Cooperative Extension Service
Located in local county government offices
Free and inexpensive materials on home child care, child development, and other topics of interest to providers. Look in the white pages of your phone book under your county's name (for example: Washtenaw County Government—Cooperative Extension Service).

Council for Early Childhood Professional Recognition
1718 Connecticut Ave., N.W., Suite 500
Washington, DC 20009
202–265–9090
800–424–4310
Purpose is to train, assess the competence of, and certify caregivers. Awards credentials to home-based child care providers, preschool and infant-toddler caregivers, and home visitors. Bilingual specialization also available. The competencies for home-based child care providers are listed on page 58. They are useful for self-evaluation and to identify areas for further development.

ERIC Clearinghouse on Elementary and Early Childhood Education (ERIC/EECE)
College of Education
University of Illinois
805 W. Pennsylvania Ave.
Urbana, IL 61801–4877
217–333–1386
Publishes four newsletters yearly on materials, publications, and events. $5 per year. Computer searches on any early childhood topic (ask you local librarian for more information).

Mothers at Home
P.O. Box 2208
Merrifield, VA 22116
703–352–2292
Supports mothers who choose to work at home. Publishes monthly newsletter, *Welcome Home*. Membership $12.

National Association for the Education of Young Children
1834 Connecticut, Avenue, N.W.
Washington, DC 20009
202–232–8777 or 800–424–2460
Call or write for a listing of their publications.

National Association for the Education of Young Children (NAEYC)
1834 Connecticut Ave., N.W.
Washington, DC 20009–5786
202–232–8777
800–424–2460
The largest professional group of early childhood educators/child care providers. Publishes the journal *Young Children*, brochures, posters, videotapes, and books. National, state, and local Affiliate Groups offer training opportunities.
Other programs are the Information Service and the Week of the Young Child.

National Black Child Development Institute
1463 Rhode Island Ave., N.W.
Washington, DC 20005
202–387–1281
Publishes a newsletter and calendar featuring issues and important dates in history relevant to the development of Black children.

National Center for Clinical Infant Programs
733 15th St., N.W., #912
Washington, DC 20005
202–347–0308
Publishes information and sponsors conferences on infant health, mental health, and development.

National Commission on Working Women
1325 G St., N.W., Lower Level
Washington, DC 20005 202–273–5764
Focuses on the needs and concerns of the approximately 80% of women in the work force who are concentrated in low-paying, low-status jobs. Excellent work on child care employees (see Benson and Stentzel in the General Child Care section of the Bibliography).

Resources for Child Caring
450 Syndicate Ave, Suite 5
St. Paul, MN 55104
612–488–7284
Publishes books, training guides, audio-visual materials. incudes Toys 'n Things Press. Write for free catalog.

Save the Children Child Care Support Center
1340 Spring St., N.W., #200
Atlanta, GA 30309
404–885–1578
Sponsors yearly conference for home-based child care providers. Publications include a guide to home-based child care audio-visual training resources.

School-Age Child Care Project
Wellesley College
Center for Research on Women
Wellesley, MA 02181
617–431–1453
Clearinghouse publishes *School-age Child Care* newsletter.

Toys 'n Things Press. See Resources for Child Caring.

Work and Family Information Center
The Conference Board
845 Third Ave.
New York, NY 10022
212–759–0900
Clearinghouse for information concerning interrelationship between work and family; and employer-supported child care, incuding resource and referral services, family day care satellities, and parent fee subsidies.

Inclusion of these organizations does not imply SBA's endorsement.

SBA's business publications are listed in the Agency's "Directory of Business Development Publications." For a free copy of the Directory, write to Publications, P.O. Box 15434, Forth Worth, Texas 76119 or contact your local SBA office.

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